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# GUIDE FOR COMMUNITIES

## Planning Civilian Reuse of Defense Installations

A handbook for community officials and  
others engaged in the conversion process

ECONOMIC DEVELOPMENT ADMINISTRATION

TECHNICAL  
ASSISTANCE  
PROJECT

U.S. DEPARTMENT OF COMMERCE





ECONOMIC DEVELOPMENT ADMINISTRATION

U.S. Department of Commerce

GUIDE FOR COMMUNITIES

PLANNING CIVILIAN REUSE

OF DEFENSE INSTALLATIONS

A HANDBOOK FOR COMMUNITY OFFICIALS AND  
OTHERS ENGAGED IN THE CONVERSION PROCESS


This technical assistance study was accomplished by professional consultants under contract with the Economic Development Administration. The statements, findings, conclusions, recommendations and other data in this report are solely those of the Contractor and do not necessarily reflect the views of the Economic Development Administration.

March 1974

**U.S. DEPARTMENT OF COMMERCE**

**Frederick B. Dent, Secretary**

**William W. Blunt, Jr., Assistant Secretary  
for Economic Development**



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## LIST OF ABBREVIATIONS

AFB	Air Force Base
DOC	Department of Commerce
DoD	Department of Defense
DOI	Department of the Interior
DOL	Department of Labor
DOT	Department of Transportation
EAC	(Interagency) Economic Adjustment Committee
EDA	Economic Development Administration
FAA	Federal Aviation Administration
GSA	General Services Administration
HEW	Department of Health, Education and Welfare
HUD	Department of Housing and Urban Development
OEA	Office of Economic Adjustment/DoD
OMB	Office of Management and Budget
P&M	Protection and Maintenance (Contract)
SBA	Small Business Administration
TAG	Technical Assistance Group (of a Federal Regional Council)

A.  
The Initial  
Shock of  
Deactivation  
-- its  
Ramifications

Formal announcement that a Department of Defense installation is scheduled to be closed or partially phased out produces concern and sometimes profound shock in the community in which it is located.

This is true even when rumors of the impending action have long circulated. Although officials and residents of communities that host Defense facilities have read of other base deactivations, realize that the process continues, and that one day "their" facility's turn may come -- notice that the base, depot or training center in their midst is being phased out on a specific date still comes as a sobering surprise.

Functioning defense installations affect local economies in various ways. Military spending in the community is generally low, and local procurement by the Department of Defense (DoD) is relatively minor. Thus, their influence is small. But the wage level and stability of civilian employment at the installation frequently have substantial impact. And both military and civilian personnel of the base importantly affect residential housing, certain small businesses, and school operating budgets.

There is widespread assumption in the community that deactivation will mean problems and possibly economic disaster. Jobs -- both military and civilian -- will disappear. Merchants will suffer loss of customers and income. Part of the fabric of the community will be destroyed.

Involved towns and cities become apprehensive at the prospect and often overwhelmed at the enormity of the projected change. This is especially true for medium and smaller communities with large military installations and few previous contacts with federal agencies or the military deactivation process.

The difficulties encountered in making a successful transition to civilian use of the affected facility should not be minimized. Severe economic and at times political and social problems have arisen. Some communities have failed to attract to surplus defense installations new users who compensate for previous economic benefits. The failure is especially serious when the installation was the largest employer in the area.

Serious problems are not inevitable. Occasionally, installations are deactivated so gradually that there is no noticeable impact upon the local economy. In other cases, where portions of the facility are retained, increases of the DoD civilian work force may more than compensate for loss of military positions.

Experience indicates that, generally, opportunities overshadow problems.

The strong impact of the deactivation crises can be and has been the stimulus required to open the eyes of community officials and businessmen to previously unrealized possibilities of economic growth; provide a rare chance to rectify chronic community problems; and fragment long-standing political, social and personal roadblocks. Such results, as we shall discuss, require early and forceful activity.

B.  
How to  
Use the Manual

This manual is a reference work and a guide to action for community officials and planners, and key personnel in the conversion effort. In non-technical, non-"governmentalese" language it attempts to provide data and information to calm



the understandable fear of the unknown concerning deactivation; outlines priority steps to be taken; reviews the mechanics of the federal disposal process; and, importantly, tells where to go for additional facts and advice.

It is organized for your ease in use and comprehension. Its four chapters review: (1) steps that others have taken or that you might take in organizing for effective civilian reuse; (2) the whys and wherefores of transferring federal property to the community; (3) guidelines to developing the overall reuse plan; and (4) how to organize the civilian "takeover" entity.

Study the Table of Contents to obtain an overall grasp of what the manual contains and how it is structured.

Then skim through, to gain preliminary insight into the various aspects of deactivation and ensuing civilian use of defense installations.

The deactivation process is complex. It is long. You will want to use the manual as a reference handbook, seeking guidance in the resolution of problems as they arise over the course of many months. It includes:

- (a) An appendix that reviews pertinent programs and activities of federal departments and agencies. The appendix cites and describes applicable legislation, regulations, and programs by operating entity. It tells whom to contact for further details.
- (b) An index arranged to help you locate coverage in the manual of specific topics and subjects that inevitably will arise during the changeover.

The manual is not all-inclusive. It will not answer all questions that may arise. The deactivation process continually changes. So do the regulations and practices that govern it. There are general rules, but they are sometimes varied

or "bent" in the face of inequitable or unusually difficult situations. In short, deactivation is a living process; like living organisms it is in a state of flux. Once put on paper, the described process begins to be outdated by events.

C.

Each Conversion  
of a Defense  
Facility is  
a Unique  
Experience

The rules, techniques, methodology and experiences described herein should be adopted on a selective basis. Research conducted by Wolf and Company in the course of preparing the manual -- visits to DoD installations that long since have been deactivated; to those currently undergoing the disposal and surplus process; and a review of secondary sources of data -- reveals that each situation is similar to yet quite different from any other.

The number of community variables is immense: size, location, political structure, economic and social bases, financing ability, and degree of available planning and marketing competence change markedly from one to another. So do defense installations -- in their nature, topography, access to transportation, size, facilities, infrastructure, and impact upon the community.

And communities affected by the "energy crisis" and rising costs of fuels need not be reminded that economic conditions change. A technique or avenue of development that worked ten or five years ago may not be valid today. Or tomorrow, if it is valid today.

The fortunate community can reclaim land originally leased to the DoD with a reversionary clause. Other land upon which a Defense installation is located may be obtained "free of charge" if it is to be dedicated to certain forms of public use. However, should a community have to acquire surplus property by negotiated purchase -- as in the case of property acquired for industrial or commercial development, or for base housing -- cost of acquisition can become a problem (as it also can when only facilities, but not land, are to be acquired).



Because of the seemingly infinite variations to be encountered in the deactivation of defense installations and their acquisition for civilian use, some of what is described in the manual will not apply to the task faced by your community. Thus, you will want to pick and choose -- approaching your case from an individual point of view -- using what appears valid, and seeking further assistance, if needed, from federal agencies through the Office of Economic Adjustment/DoD; from state, county and regional sources of assistance; and from the reservoir of competence available within your community.

\* \* \* \* \*

This manual is the product of (a) on-site investigation at ten locations where the conversion process has either taken place or was under way at the time of our visit; (b) research into printed material and unpublished data that describe perhaps a score of past experiences; and (c) Wolf and Company's first-hand experience in planning the reuse of defense installations. Further, its contents reflect assistance and advice provided by a number of federal agencies.

We think it will be helpful.

1. ORGANIZING FOR

EFFECTIVE CIVILIAN REUSE

Except for the rare instance when a community initiates civilian reuse planning efforts in response to rumors of impending closure of a defense installation, the community's timetable for action starts when the DoD announcement is made..

An installation's closing or realignment is the end product of lengthy, careful study by the military. By the time the announcement is prepared, the cutback timetable of the military service is well established. DoD's needs and goals have been defined, costs have been determined, and the steps and timetable for deactivation have been carefully laid out.

Communities  
are Usually  
Caught  
Unprepared

However, a community faced with an unexpected announcement is usually caught unprepared. It requires weeks and months of preliminary planning to assemble a mechanism that enables it to deal effectively with the impact of the new situation.

This is true for a large community which possesses sizable professional staffs of economic development and planning specialists. The situation is compounded when a DoD action affects an average community, which frequently lacks depth in personnel, professional expertise, long- or medium-term plans and financial resources.

Closure and realignment normally finds the community ill-prepared and harassed by the speed with which it must plan and take appropriate steps as the military "count-down" proceeds... at least at the beginning. The community must marshal local resources fast, and usually requires help from "outsiders".

Contents  
of the  
Chapter

This initial chapter discusses actions to be taken in the initial phases of organizing for effective civilian reuse of a defense installation. It first considers local organizational methodology and structuring of the reuse effort within the community. Then it reviews the potential supporting roles of area or regional entities, the state, and the Federal Government. It notes the need to evaluate the advantages and disadvantages of the properties that are being vacated, and the assets of the community undertaking the conversion effort. Finally, it briefly discusses the importance of early creation of an entity that can acquire and market the properties to be turned over. The organization and management of the Takeover Entity is the object of detailed coverage in Chapter 4 of the manual.

1-A.     ORGANIZING THE REUSE EFFORT  
          WITHIN THE COMMUNITY

1-A (1)   Preparatory Actions

Even as the community begins organizing and establishing a mechanism to develop the strategy and plan for optimum reuse of the properties being vacated -- see 1-A(2) below -- several preparatory steps should be taken to gather information required for subsequent decision-making:

Get Maps and  
Data Covering  
the Installation  
and its  
Facilities

(a) Procure from the local military commander and/or base engineers all pertinent available data concerning the affected installation. These can be numerous and quite valuable for reuse planning:

- o List and narrative of physical assets of the installation;
- o Catalog of all structures. The list usually includes identifying number, original and current use, size in square feet, date of construction, type of construction of floor, walls, and roof, and a broad assessment of each structure's state of repair.
- o Maps of the installation showing: overall plan, roadways, water distribution system, sanitary sewerage system, storm drainage system, electrical distribution system, central heating and gas systems, airfield lighting (if an air base), etc.
- o Master plan narrative: a comprehensive document, outlining history of the installation, its physical features, infrastructure, etc. Section 1-E details the type of information found in a master plan narrative.

These should be obtained quickly--while the installation is still occupied and people know where to find the material.

Update  
Zoning  
Ordinances

(b) Consider zoning changes that may become advisable. Property to be made available may include land whose most suitable use is not covered by local zoning ordinances, or the ordinances may be inadequate to satisfy needs of large scale development possible under civilian reuse. In these circumstances, the zoning ordinances should be updated. The community also can and should zone property in order to influence reuse. These changes take time, so early action is advisable.

Study  
Property  
Records

(c) Conduct research to determine potentially troublesome problems concerning property lines, reversion clauses, easements and restrictions on property that may be declared surplus to DoD needs.

Evaluate  
Financial  
Strength  
of the  
Community

(d) Consider carefully whether the community possesses the financial ability to acquire the properties to be turned over, and if it lacks the ability, how financing can be arranged. The cost of acquiring hundreds of acres of land and scores of facilities for potential industrial use can be quite high. Care and maintenance are also expensive.

Consider  
New  
Legislation

(e) Investigate types of legislation that will have to be enacted by the community or state to permit creation of an appropriate takeover organization, issuance of industrial revenue or general obligation bonds, and other organizational and financial entities and devices that may become necessary.

#### 1-A(2) Structuring the Community Effort

Formulate  
Development  
Strategy  
Fast

A major problem for a community faced with a DoD cutback is the need, in as short a time as possible, to formulate a specific development strategy giving direction to the community effort. To this end, a small working group must be created.

Unless the group develops a generally accepted strategy and organization, the community wastes time and resources as different segments pursue separate goals, duplicate efforts, or announce "instant" short-term or unworkable solutions.

Reuse  
Effort  
is a  
Community  
Responsibility

Strong and effective local leadership is the keystone to a successful conversion effort. Although federal agencies through DoD's Office of Economic Adjustment, and the state and county, may provide significant help if called upon, the community itself has the primary task of overcoming the potential adverse impact of a closing or realignment. It cannot safely shift the responsibility.

Select a  
Strong  
Conversion  
Director for  
Intensive  
Initial  
Effort

As soon as the DoD cutback becomes known to the community, one person should be selected to head the preliminary planning effort. He may be director of the community's economic development or planning department...an administrative assistant to the mayor...or an experienced professional from the private sector -- a semi - or just-retired, politically astute lawyer, banker or engineer.

Whoever he is, whatever his background, the Conversion Director (as we shall call him) must be highly motivated and concerned with the economic and social well-being of the community. He must be articulate, energetic, and know how to lead. And importantly, he must be able to devote full time or near-full time to the task during the initial six to 12 months.

This paragon can be found. He has headed conversion efforts in many past instances. Where he has taken charge, the effort has succeeded.

...His  
Activities

The Conversion Director is involved in all pertinent activities immediately upon his selection: contacts with local and area officials, and with state and federal officials; liaison with the congressional delegation, DoD, the Office of Economic Adjustment and the regional offices of GSA and other agencies; briefings for the community's executive officer and its legislative body; meetings with potential occupants and tenants of property to be turned over to civilian use; etc.



The early days and weeks following the DoD announcement are critical. During this period, the community's early (and often lasting) attitudes toward the event are formed. A feeling of confidence in local leadership and sense of positive movement can be engendered. The community can be made to realize that the cutback does not necessarily spell disaster, but can become the focus for renewed growth. During the initial period, valuable information is uncovered regarding resources that may be made available for the conversion effort.

...Importance  
of His  
Involvement  
in Earliest  
Efforts

Unless the Conversion Director is involved in these early events and actions, he will subsequently have to spend much time recontacting officials, reconstructing data and reasking questions.

His efforts will be intensive for several months. If the best qualified person is a public official, he should be detailed full-time to the new, temporary assignment. It is almost impossible to execute on a part-time, in-addition-to-other-duties basis.

As center of the conversion effort, the director establishes, maintains and nurtures channels of communication among concerned individuals and agencies. He should immediately establish a separate master file for correspondence and data. And he should have access to secretarial assistance.

(These points may appear insignificant. However, a reuse effort mushrooms in complexity. Proper control requires early installation of basic, easy to follow devices and procedures, if the effort is not to be overwhelmed.)

The Conversion Director also acts as liaison between the community and the consultant planners frequently required to assist the community's reuse effort. The consultant's role is particularly helpful when it is advisory, in addition to research and planning, in nature. Close, continuing contact between the community and consultants is essential, but almost impossible unless there is a single contact or coordinator -- such as the Conversion Director -- who also can act as buffer between the community and consultants.

Role of  
Consultants

Proper consideration should be given to hiring special consultant-planners. Even in larger cities with planning departments, additional outside expertise is needed in reuse situations. (The Office of Economic Adjustment has been helpful in many past conversion efforts; however, its staff is small, overworked, and cannot sustain an intensive level of assistance to individual communities. The Economic Development Administration, DOC (see 1-D below), has funded community employment of consultants for the purpose.)

The most helpful role, perhaps, of a consultant is that of an experienced and objective sounding board for alternative ideas. Consultants also assist those heading the conversion effort by logically explaining to varied interests why concepts may be ineffective or harmful to the overall effort, even though they appear popular.

1-A(3) Need for Broad Local Representation in Local Policy Group

Concurrent with early selection of a Conversion Director and consultants is the need for a



The  
Conversion  
Committee  
Should be  
Broad-Based

broadly based local committee or group to assist in the development of policy guidelines. The recovery program must be a community-wide effort -- one in which local citizens have a voice -- for it to be accepted and implemented with maximum local support.\*

...its  
Composition  
is More  
Important  
than its  
Size

Effective conversion committees have varied markedly in size. Generally they are compact in number, with from 10 to 18 members, although no magic number exists.

The composition of the committee may be critical. It should represent significant elements within the community; and should not unduly favor particular groups, such as bankers, businessmen or politicians. It need not include disparate groups that cannot contribute to a viable solution.

A productive conversion committee usually includes men and women representing one or more of the following groups: health and education, industry, banking and finance, public utilities, civil engineering, law, real estate, commerce, civic leaders, architecture, construction, planning and government.

Workers,  
Not  
Figureheads,  
Needed

Intensity and quality of prospective contribution to the joint effort are the criteria for selection. Occasionally an important community figure is chosen even though he cannot devote sufficient time, but this practice tends to be unproductive.

---

\* Unity in conversion planning is complicated when the defense installation being deactivated is located in more than one community. Chapter 4-A discusses the situation.

Organize the  
Committee  
Functionally

Depending on the complexity and size of the properties to be turned over for civilian use, the conversion committee is more or less formally organized in its operations. Whether formed into operational subgroups or not, the work of the committee covers several areas, which may include: finance, industrial development, health and education, parks and recreation, assistance to businesses expected to suffer because of the conversion, and creation of a takeover organization to acquire and market the areas turned over for civilian use.

In the case of air bases and naval shipyards, qualified committee members devote their efforts to those specialized uses. Where military housing is to become available, someone also concentrates on that aspect of conversion.

The functional areas mentioned above should serve only as a guide; other subgroups may better serve your specific needs. However, bigness and complexity of organization should be avoided. Smallness of committee size and high intensity of member activity are normally synonymous with success.

Membership on a conversion committee can yield much criticism and little gratitude. But it also promotes a feeling of satisfaction on the part of participants who help their community when it needs them badly.

Channel  
All Reuse  
Proposals  
Through the  
Conversion  
Committee

All reuse suggestions and formal proposals should be forwarded for consideration to the conversion committee, no matter where they originate and to whom they are submitted. In that way, the committee becomes a central clearing house and single voice for the community's reuse effort.

A final note: no matter how well organized and logical the activities of the conversion committee, it must conform to the realities of the political structure through which recommendations are to be reviewed and implemented.

1-B. ADDING AREA OR REGIONAL EXPERTISE

Disposal  
Impact  
Can Be  
Widespread

The impact of closing or realignment affects neighboring communities and parts of the surrounding region, in addition to the community in which the defense installation is located. In some instances, the impact falls harder on neighboring communities and the surrounding region, as, for example, when most base-related civil and military personnel live in places other than the directly impacted community, or when the satellite shopping district near a defense installation lies in another political jurisdiction. Conversion frequently has important regional implications.

Organizations  
and  
Individuals  
of the  
Region Can  
Contribute  
Greatly

Thus, the Conversion Director is well advised to enlist the support and assistance of area and regional entities such as planning commissions, economic development districts, universities and area chambers of commerce, in the reuse effort. The same is true for individuals; some with needed specialized knowledge or influence may not reside in the community.

Regional health councils and educational associations may have conducted studies and surveys of value to the reuse planning task. Involvement of regional groups can provide access to such data and call attention to regional needs that might be satisfied through use of property to be turned over.

In certain situations, involvement of regional entities can be crucial. For instance, some exercise sign-off approval authority for federally funded programs. These agencies should be involved in the initial stages of reuse planning, to avoid possible costly delays while plans are restudied or altered to meet specific requirements.

Area and regional expertise is most helpful when channeled into an established, recognized community conversion committee. If the Conversion Director and the committee are not widely acknowledged to bear primary responsibility for the reuse planning effort, other-agency involvement may create friction and jealousy. Those involved in the community's conversion effort should not feel threatened by offers of assistance from "outsiders" or "out-of-towners".

Don't  
Overlook  
the County

Depending upon the political structure, power and expertise of the government of the county in which the community is located, county officials and departments may play helpful roles in the reuse effort.

#### 1-C. ROLE OF THE STATE

State  
Cooperation  
Varies  
Widely

Support and assistance provided by state governments to installation conversion efforts have varied widely from case to case. In some, the state has been passive and disinterested; in others, the state has actively contributed to the effort. In the conversion of Olmstead AFB at Middletown, the Commonwealth of Pennsylvania managed the program. For the 1973-1974 reuse efforts in Massachusetts covering the Boston Naval Shipyard, Chelsea Naval Hospital, Otis AFB and Westover AFB, the Commonwealth established a statewide conversion commission to assist the impacted communities.

The State  
Can Provide  
Effective  
Support  
in Many  
Ways

The financial, technical and manpower resources of the state can effectively support the community reuse effort. State departments of economic development, commerce, community development, housing, transportation, education, and specialized state commissions, possess expertise and data that can facilitate the task.

Aid may be available from state sources in formulating requests for assistance from state and federal agencies. A state specialist in "grantsmanship" may be of invaluable help to local officials whose experience in this practical art has been limited. (Normally, community requests for federal assistance must be approved by the state before being forwarded.)

A significant potential role for the state lies in the need which may arise for special legislation permitting action prescribed by the reuse plan. Drafting such legislation requires expertise usually not available at the local level. Should the reuse plan call for creation of an industrial development corporation or similar entity, the state also may provide access to bond counsel to help shape a marketable issue.

Ask That  
One Person  
Coordinate  
State Aid  
and Services

To facilitate state assistance, the community should ask to have one state official designated coordinator. The coordinator would serve as central contact point at the state level for the community's conversion program. He would expedite state aid and avoid duplication in the activities of state agencies. He would also minimize logjams and resolve differences of approach or opinion between state agencies. He thus requires political "clout." (In Massachusetts, the conversion coordinator is a special assistant to the governor.)



The existence of a policy-making state reuse committee is usually not needed and should be avoided. Policy and decision-making responsibility should remain within the affected community. Even unfounded fear of a "state takeover" may seriously disrupt the conversion effort. Further, it may prevent acceptance of needed and available state assistance.

1-D. ASSISTANCE FROM THE FEDERAL GOVERNMENT

Economic  
Adjustment  
Committee

The interagency Economic Adjustment Committee (EAC) was established by the President in 1970 to coordinate federal efforts to aid DoD-impacted communities. The Committee is responsible for ensuring responsiveness and support of member departments and agencies in the "economic adjustment programs" (conversion programs) of communities that have asked for its assistance. It is chaired by the Secretary of Defense. Members of the EAC are:

- o Department of Defense
  - Department of the Army
  - Department of the Navy
  - Department of the Air Force
  - Defense Supply Agency
- o Department of Agriculture
- o Department of Commerce
- o Department of Health, Education and Welfare
- o Department of Housing and Urban Development
- o Department of the Interior
- o Department of Justice
- o Department of Labor
- o Department of Transportation
- o General Services Administration
- o Small Business Administration
- o Office of Management and Budget
- o Environmental Protection Agency
- o Civil Service Commission
- o Council of Economic Advisors

- o Domestic Council
- o Arms Control and Disarmament Agency

From March 1970 to March 1973, the EAC helped 70 communities -- 35 of which received major assistance. Through June 1973, 28 of 274 DoD realignment actions announced three months earlier had produced requests for EAC aid.

Office of  
Economic  
Adjustment...  
Coordinating  
Arm of the  
EAC and  
Focal Point  
for Federal  
Assistance

DoD's Office of Economic Adjustment serves as the coordinating arm of the President's interagency EAC. It takes the lead in EAC support actions which include: identifying conversion impacts, problems and issues; helping communities develop plans to ameliorate the impacts, problems and issues; and encouraging communities to mobilize resources to satisfy new needs.

It is the community's focal point with federal agencies. It helps ensure that the federal establishment coordinates its responses to the reuse situation.

The Office of Economic Adjustment does not finance community efforts to counteract deactivations. However, other agencies represented on the Committee have pertinent programs that provide financial and technical assistance.

The EAC and  
Office of  
Economic  
Adjustment  
Respond to  
Community  
Request for  
Assistance

The role of the EAC and Office of Economic Adjustment is to help communities help themselves. They respond only to invitations from impacted communities -- for, as we noted earlier, primary responsibility for programs to counteract deactivation must remain and does remain with the affected community.

Early  
Activities

Upon receipt of a community request for assistance, and verification of need, EAC representatives initiate a flexible series of actions. Many of these are performed by the Office of Economic Adjustment, which makes a reconnaissance visit to the community accompanied at times by representatives of the DoD and other agencies

represented on the EAC. The reconnaissance visit appraises the economic impact of the deactivation action, evaluates available resources and explores the need and potential for a community economic adjustment (or conversion) program. A report of community visit summarizes findings and recommendations following the survey.

Because of its decade of experience in helping communities overcome adverse effects of deactivations, the Office of Economic Adjustment is an excellent potential source of advice, counsel and expediting assistance.

Federal  
Regional  
Councils...  
Their  
Composition,  
Function  
and Locations

Federal Regional Councils--composed of representatives from regional offices of federal departments and agencies--backstop and aid local efforts of the Office of Economic Adjustment. They advise on the availability of federal programs which might be shifted to meet community conversion problems; comment on Office of Economic Adjustment impact analyses; and assist it in interdepartmental relations.

The Councils can provide, under EAC leadership, information about current and planned federal activities in the community, and coordinate delivery of federal programs to impacted areas.

The Councils are strategically located to provide continuing technical assistance over the longer term. Federal Regional Councils are located in Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, New York, Philadelphia, San Francisco and Seattle.



Technical Assistance Groups of the EAC

Technical Assistance Groups (TAGs) of Federal Regional Councils meet from time to time with representatives of the community's conversion committee to discuss aspects of proposed or continuing federal assistance. Representation of Council members at a TAG session depends upon its purpose. Thus, a session covering property may have different federal representation than one discussing industrial development.

Pertinent Programs of the Economic Development Administration

The Economic Development Administration (EDA) of the Department of Commerce has been an important source of federally sponsored technical assistance to over a score of communities that have been sites of defense deactivations.

EDA's Office of Technical Assistance has made grants directly to affected communities for: (a) overall economic impact studies of defense installation closings; (b) military base evaluation and reuse planning studies; (c) administration and operation of the community's conversion effort, including funds for hiring a Conversion Director, marketing specialist and other required personnel; and (d) for in-depth exploration of specific reuse possibilities. It also provided the funds for preparation and distribution of this manual, and for seminars held by the Council for Urban Economic Development. Under appropriate circumstances, other EDA programs have been available to affected communities, including: grants and loans for public works projects, and capital loans to businessmen investing in impacted areas.

Job Training Programs

The Federal Government has provided funds for retraining and relocation of DoD civilians put out of work by deactivations. The monies have been used for vocational education and on-the-job training programs to give displaced employees needed skills for private industry and supplementary higher education training to professionals.

Appendix A of the manual reviews a number of pertinent activities and programs of nine federal departments and agencies: DoD, GSA, EDA, HEW, HUD, the Departments of the Interior and Labor, Small Business Administration, and Department of Transportation.

Expedite  
Applications  
for Federal  
Funds

Applications for federal grants should be developed and submitted with minimum delay. The process can be complex and therefore slow. Limited federal funds may be exhausted by the time an application is processed, of, if available, may arrive after they are needed. Expediting efforts of the community's designated state coordinator, the appropriate federal agency's representative on the Federal Regional Council, and the Office of Economic Adjustment, are frequently called for.

Note: Communities do not inevitably seek federal assistance, nor are they eligible for such aid if no measurable adverse economic impact is expected to arise from the projected deactivation. Similarly, some communities have refused offers of federal assistance for philosophical reasons. Most reuse efforts, however, require a combination of community leadership together with varying amounts of federal (and sometimes state) participation for optimal results.

1-E. EVALUATION OF THE PROPERTY  
TO BE TURNED OVER

Two priority tasks of the conversion committee after DoD's formal public announcement of intent to dispose are the development of data bases covering (1) the assets and liabilities of the installation to be deactivated, and (2) the strengths and weaknesses of the community it affects. This section discusses the former; Section 1-F covers the latter.

Section 1-A(1), "Preparatory Actions", noted several types of information concerning the defense installation that should be available through the local military commander and/or base engineers: the list of physical assets, catalog of structures on the installation, maps and master plan narrative.

Information  
to be  
Obtained  
About the  
Defense  
Installation

From these and other materials, the community's Conversion Director will be able to procure details of significance to the reuse effort, including:

- o Historical data
- o Soil and topographic conditions
- o Accessibility to transportation
- o If an air base: the runway system, apron and operational areas, navigational aids
- o Industrial area
- o Administrative and community facilities
- o Housing
- o Health and educational facilities
- o Utilities (sanitary sewage system, storm drainage system, water supply system, heating system(s), electric power and gas)
- o Communication facilities
- o Fuel storage and distribution facilities
- o Security system

As the conversion planning process continues, the information should be expanded upon and the land and facilities of the installation further analyzed.

1-F. REALISTIC EVALUATION OF THE COMMUNITY

Make the  
Community  
Appraisal  
Realistic

Converting a military cutback into a community opportunity calls for the conversion committee to make, or have made for it, an objective, honest appraisal of community assets, liabilities and potentialities. Conversion strategy is difficult to develop unless relevant economic, social and political facts are known. This requires the collection of base data, including:

Community Data  
Needed for  
Conversion  
Planning

- o Population: trends, projections, details by age group
- o Labor force characteristics: skills, availability and wages
- o Cultural and other amenities
- o Historic and recreational attractions
- o Geographic and natural resource base
- o Climate and weather conditions
- o Transportation: highway, rail, water and air; public transportation
- o Housing: age, density, condition and value of sale and rental housing
- o Economic base: historic trends, present economy -- general, manufacturing, commerce, retailing, wholesaling, banking
- o Employment and payrolls
- o Community finance: tax rates, tax levy, assessed valuation, debt
- o Education and skill training
- o Planning and zoning
- o Utilities: electric, gas and water service and rates
- o Distances to markets
- o Construction trends and standards
- o Police, fire and sanitation services
- o Hospitals and health services

Sources of basic data are city and town monographs, standard industrial surveys, chamber of commerce publications, census of manufactures, Overall Economic Development Programs (OEDPs) that may have been prepared for EDA, state publications, community plans, regional planning commissions, and so forth.

In most cases, available data will have to be updated and somewhat expanded.

Seek  
Answers  
to Questions  
Investors  
Will Ask

To realize the greatest benefit from a conversion effort, the data must be evaluated qualitatively as well as quantitatively. For example: potential investors in bonds of the Takeover Entity will be concerned about the community's attitude toward debt, and whether it has ever defaulted on a debt issue. Potential occupants of the surplus land and investors will want to know about the support accorded the conversion effort by the community; whether the community's government can respond to needs in a timely fashion; what its tax rate and bond rating are.

They also want to know the quality of education, health services, cultural activities, public transportation services and the strength of local banks.

The community will be competing for investment interest with similar communities (some of which may have similar deactivated defense installations). Thus, its self-appraisal must be performed with objectivity. Because of its wide scope, the evaluation should be performed by the broadly based conversion committee (or should the time factor dictate, an outside consultant).

Reuse strategy for maximum development of the defense facility is a logical outgrowth of the installation and community evaluations. The studies will reveal advantages to be capitalized upon, and weaknesses and problems to be eliminated, minimized or compensated for.



## 1-G. EARLY CREATION OF A TAKEOVER ENTITY

Chapter 1 has noted the need to create a special community-wide group headed by a full-time, short-term director for the initial conversion effort; of possible contributions to the effort by area, regional, state and federal agencies; and of the need for assessments of the installation to be deactivated and of the community itself, in preparation for the formulation of a workable development strategy. (Chapter 3 discusses the development of the overall reuse plan.)

The foregoing will have been of no use unless it leads to a subsequent Takeover Entity with the ability and authority to translate the initial and detailed evaluation and planning into new jobs, added personal income and tax revenues; and amelioration of community problems.

Form the  
Takeover Entity  
Early...it  
Needs Legal  
Standing and  
Financial  
Strength

The importance of early creation of the Takeover Entity cannot be overstressed. A body must be formed in the community which will possess the legal standing and financial ability to acquire surplus land from the GSA, and the marketing expertise to lease it out for purposes that provide maximum benefit. The sooner a Takeover Entity is in operation, the more effectively it can negotiate with the General Services Administration (see Chapter 2) and the faster the surplus properties can be acquired to satisfy community aims. Delay is not in the community's interest; new development should replace lost jobs and purchasing power in the shortest possible time.

The takeover organization usually is small and streamlined. Status as a legal entity helps provide the stability needed to attract good staff personnel, and adequate insulation from the more counterproductive aspects of politics.

Chapter 4 of the manual is devoted to a comprehensive review of the organization and operation of the Takeover Entity.

## 2. TRANSFERRING PROPERTY TO THE COMMUNITY

The transfer of defense installations to civilian use follows an intricate but well-defined procedure.

Actions  
Leading to  
Public  
Announcement

Following the recommendation of a military department that a specific installation be completely or partially phased out, the facility is screened by other military departments for possible use. Then the DoD's decision to change the installation's status is conveyed to the Congress, followed by a formal public announcement of its intent to dispose.

Contents  
of the  
Chapter

This chapter follows the transfer procedure from the time of public announcement. First it reviews the Title 10 "Disposal Report" which "freezes" the property to be transferred by DoD, and the concurrent Report of Excess for GSA's use. Then it discusses the special case of facility-related equipment, and federal techniques for speeding or retarding the transfer of property. Finally it covers GSA's formal Notice of Surplus, and the various acquisition methods available to affected communities.

But first, to differentiate between two confusing terms:

"Excess"  
versus  
"Surplus"  
Property

The term excess property used throughout the manual refers to property under the control of "a military service" which its Secretary determines is not required for its needs and discharge of responsibilities.

Surplus property means excess property which the Administrator of GSA determines is not

required for the needs and discharge of responsibilities of any federal agency, and thus can be transferred to the community or other entities..

## 2-A. TITLE 10 DISPOSAL REPORT

Disposal Report  
10 U.S.C. 2662

After excess property has been identified by DOD, it submits a Disposal Report to the Armed Services Committees of the Congress as required by Title 10 U.S.C. 2662. This takes place several months after DoD's formal public announcement of intention to dispose.

The "Title 10" Disposal Report is a summary statement of the proposed action. It states the rationale behind the action; acreage to be reported excess to DoD requirements; and acreage and facilities, if any, to be retained for further DoD use. Disposal reports usually are submitted to the Senate and House Armed Services Committees on the last working Friday of a month. A copy is sent to the community.

Modifying the  
Disposal Report

A community whose economic adjustment program has been sparked by an impending closing or partial closing of a defense installation can seek modification or elimination of property requests by military departments, should the requests appear to run counter to the community's reuse plan. In that event, the community contacts DoD's Office of Economic Adjustment for assistance. Hard bargaining may result, but experience indicates that reason and logic usually prevail.

The Armed Services Committees have 30 days following receipt of the Title 10 Disposal Report to object to the proposed action. Objections are brought to their attention by the community through its congressional delegation. In the absence of an objection, the military department which holds the land is free to proceed with the disposal action. Although the law only requires



that the DoD advise the Committees in advance before entering into the disposal action, and the Committees hold no hearings on the matter, courtesy precludes action on the Report without Committee concurrence.

## 2-B. REPORT OF EXCESS

Report of  
Excess is  
Forwarded  
to GSA

When Congress does not object to the proposed Disposal Report, or when different points of view have been resolved, the excess property of the installation is reported to GSA for disposal. The excess property report, prepared by the U.S. Army Corps of Engineers, is comprehensive. It includes listing of buildings, structures, utilities and miscellaneous facilities; land; and equipment and furnishings to be excessed in conjunction with real property. Because of the detail required, its preparation may take up to several months.

GSA Screens  
Requests of  
Other Federal  
Agencies

After GSA receives the Report of Excess, it notifies other executive agencies whose functions require use of real property of its availability. But any federal agency may apply. Agencies are encouraged to inspect the property if it appears it may be suitable to fill agency needs which -- if not satisfied by use of excess property -- would require expenditure of federal funds.

A federal agency desiring property must file notice of tentative or firm interest within 10 to 30 days. A request for transfer must be submitted to the agency within an additional 60 days. (The formal screening process is expedited by the DoD's forwarding to GSA a preliminary excess report at the time the Disposal Report is submitted to the Armed Services Committees. This enables GSA to react more speedily to a critical situation.)

After excess DoD property has been offered to other executive agencies, first priority is accorded to the affected community.

Community  
has Higher  
Priority  
than  
Non-DoD  
Federal  
Agencies

However, federal agency interest does not necessarily preempt. Requesting federal agencies must justify their requests, have funds available, and secure approval from OMB. GSA examines requests in light of their impact on the community's reuse plan and does not bias action in favor of the "feds" should the result appear to endanger the local plan.

Investigation fails to disclose an instance in which a federal agency's request for property was accepted over a community's strong defense of a logical reuse development plan.

When other federal agencies are in the process of determining whether excess property can be appropriately used to fill their needs, GSA usually inspects the property in preparation for appraisal of its fair market value. Section 2-F(2) of this manual reviews the GSA appraisal process.

## 2-C. PERSONAL PROPERTY CONSIDERATIONS

Personal  
Property  
Means  
Equipment  
and  
Machinery

Federal terminology classifies property into two kinds: real property and "personal" property. Personal property refers to installed and semi-installed equipment, machinery, tools, and so forth. Personal equipment on a defense installation is screened as a related package with its real estate and facilities.

GSA disposes of excess personal property that is related to excess real property. Generally, DoD disposes of its own personal property, which includes three categories that do not become available:

Non-Related  
Personal  
Property

"Mission essential" - personal property that is essential to a unit or mission being relocated from an installation being excessed.

"Need to buy" - property that satisfies other-service procurement needs

"Non-appropriated fund" - personal property that was purchased with funds from sources other than federal revenues.

Directive  
5410.12  
Safeguards  
Related Per-  
sonal Property  
for Impacted  
Communities

Under DoD Directive 5410.12, special procedures apply to the disposal of personal property when a defense installation closure threatens to cause an adverse impact. Its object is to report to GSA complete packages of land, buildings and related personal equipment so that the community can make priority use of the property acquired.

The Directive outlines three key actions:

1. The affected community develops a reuse plan, subject to GSA approval, for the property of the installation that is expected to become available. The plan includes property (if any) to be used for health, education, recreation or civil aviation, and to be acquired under public benefit allowance -- see Section 2-F(1).
2. Concurrently, the military departments identify real property and related personal property that is excess to DoD needs.
3. With the agreement of the pertinent federal agencies, the community can request inclusion in the Report of Excess to GSA of those items of personal property key to its plan.

Uses Where  
Related Per-  
sonal Property  
is Essential

Classrooms, hospitals, libraries, chapels, dining facilities, dormitories, maintenance and repair shops and airfield improvements are examples of real property which can fill valid community needs -- particularly (and in some cases only) if personal property required for effective use of the facilities is retained in place.

The military department involved in the deactivation of an installation is responsible, under the Directive, for limiting the removal of such

related personal property until community needs have been identified and reviewed by appropriate federal agencies.

Speed in  
Identification  
is of the  
Essence

As soon as possible after the preliminary listing of property is available, the Office of Economic Adjustment arranges for DoD and federal agency representatives to meet with the community to review its reuse plan; provide advice concerning actions required of the community to acquire the property; determine the items of personal property to be reported as related personal property when the real property is reported to GSA; and discusses the possibility of interim use, to permit the community to use all or part of the installation for civilian purposes pending disposition by GSA.

The community should press to ensure speedy identification of necessary and/or desirable related personal property. The military component occupying the installation packs and ships personal property during its "take down" or disengagement. The sooner such equipment is identified as related personal property to be retained for civilian use, the more likely it will be left in place and thus become available for civilian use.

2-D. GSA'S NOTICE OF SURPLUS AND THE  
COMMUNITY'S STATEMENT OF INTENTION

As soon as a defense installation has been determined by GSA to be surplus to the needs of the Federal Government, regulations provide that notice of the availability of its real property be circulated to eligible non-federal public agencies.

Notice  
of Surplus  
is Widely  
Circulated

The notice is sent by certified mail to the Governor of the state in which the property is located, to the County Clerk of the county in which it is located, and to the appropriate official of the city or town in which it is



located. Pertinent regional and metropolitan comprehensive planning agencies also are notified. The notice is publicly posted in the state, county and community; and copies are sent to regional offices of federal agencies such as HEW, DOI and FAA which are authorized by law to participate with GSA in the disposal of property for specialized uses -- see 2-F(1).

The community (and the state) interested in acquiring surplus property must so inform the GSA regional office which dispatched the formal notice within 20 days following the date of the notice. If no response is received by the expiration of that period, GSA assumes that no public agency desires to acquire the property and proceeds with plans to dispose of the surplus property by public sale -- see 2-F(3).

Community  
Response: A  
Statement  
of Intention

Should the community be interested in acquiring the property, its written response must:

1. Disclose the proposed use of the property;
2. Cite the applicable statute(s) under which it desires to procure the property;
3. Disclose the nature of interest, if an interest less than fee title is planned;
4. State the length of time required to develop and submit a formal application for the property;
5. Justify the reason for the time required to develop and submit the formal application.

Where payment to the Federal Government is required under the statute(s), the community must include a statement concerning the availability of funds and, if not, the time required to obtain funds.

GSA reviews the Statement of Intention in coordination with the regional office of the federal agencies participating in the statutory determinations. The community is notified of the decision and provided with further instructions that may be required for it to proceed with acquisition of the property.



Transferral of the requested property to the community can be accelerated by prompt community submission of the subsequent formal application.

Transferral can be delayed by (1) inability of the community and the state or county to reach agreement on a single reuse plan; and (2) inability of the community to speak with a single voice in support of the plan.

2-E. FEDERAL MEANS OF EXPEDITING OR  
RETARDING TRANSFER TO THE COMMUNITY

To help the community solve acquisition problems, the federal government can expedite use of surplus property through interim lease or, at the other extreme, retard its transfer -- as in the case of unneeded military base housing.

2-E(1). Interim Lease

Guidelines  
for an  
Interim  
Lease

After the Notice of Surplus has been disseminated by GSA, and pending disposition, the responsibility for care and custody of surplus real property is vested in the DoD. During this period, DoD may with GSA approval permit the community to leave all or part of the property, provided that:

- (a) The lease does not exceed one year, and and is subject to termination on 30 days notice;
- (b) The lease does not attempt to predetermine or interfere with final reuse, and cannot be construed as a guarantee that the property will be conveyed to the lessee eventually;
- (c) The lessee pays care and maintenance costs;
- (d) The lease is issued in conformance with a community reuse plan which has been accorded preliminary approval by the concerned agencies: GSA, HEW, DOI and/or FAA.

The lease may include personal as well as real property.

Advantages  
of an  
Interim  
Lease

Issuance of the interim lease places the prospective transferee in immediate possession, enabling contemplated operations to be carried on without the delay involved in receiving a deed.

Interim leases are effective in situations where continued use of facilities is important to forestall deterioration, as in the case of schools and golf courses, and where the community is anxious to lease a facility for industrial use, so that jobs can be created quickly.

Interim Lease  
is Used to  
Acquire  
Schools

The community's reuse plan frequently calls for use of suitable surplus land and buildings for the local school system or a public institution of higher education. An interim lease by the holding military service permits the institution either to make immediate use of the facilities or sufficient time for it to prepare for use before the start of the academic year. See 3-B(2) for further discussion of educational use of surplus property.

...Golf  
Courses

Deactivation of a defense installation can leave its golf course abandoned and without proper maintenance. An interim lease permits the community to operate the golf course immediately, providing for its use and maintenance in good condition.

...to Gain  
Early Access  
for Industry

When an industrial or commercial prospect is on hand and the community has not yet acquired a desired building, the community can obtain use of the facility through an interim lease. It then subleases the building to the private firm. The Federal Government leases to the community rather than to a private firm -- with the community negotiating with its sublessee -- to ensure community control. In any event, community and its prospective tenant must learn to work together and agree early on the provision and cost of utilities and services, anticipated employment, and productive use of the facility.

## 2-E(2). Protection and Maintenance Contract

In some deactivations, large numbers of military family housing units are excessed. Should it appear that there is little or no civilian sales market for the housing and that its release would seriously hurt local values, the community can request a HUD market analysis of the housing situation in the vicinity of the installation.

### HUD Housing Market Analysis

A recent HUD housing market analysis made in connection with the partial closure of Westover Air Force Base, Mass. evaluated off-base military housing patterns; the nature of the area's housing sales and rental market; construction trends; and federally aided housing and public housing programs of the affected communities. It also inventoried the family housing units on the base. The study concluded that market conditions in the SMSA prevented the absorption of the base's units in the private market under then-current circumstances.

Empty base housing is boarded up; most of its utilities are turned off; and it is checked periodically to prevent vandalism. The holding military service maintains the property until its disposal. For one year after GSA accepts DoD's Excess Property Report, GSA reimburses the holding service for maintenance.

### Protection and Maintenance Contract Holds Military Housing Off a Weak Market

When there is no sales market for a period of 18 months or so, the holding military service can award a Protection and Maintenance (P&M) contract to a local housing authority, to avoid dumping the military housing on an already depressed local housing market. The authority maintains the housing and supervises the rental of as many units as can be absorbed locally.

The authority does not profit from the contract and is protected against loss. Rental proceeds are applied against the cost of the contract and overages are assigned to the DoD Family Housing Management Account for debt servicing.

The housing can be sold off in stages, based on the market absorption rate. Sale price is determined by a fair market value appraisal done within nine months of the sale.

The Protection and Maintenance contract retards deterioration of military housing until it can be sold, thus helping preserve it as a potential future asset for the community. The device has been used in a number of installation closures including Clinton County AFB, Ohio; Lincoln AFB, Nebraska; Bangor AFB, Maine; and Walker AFB, New Mexico.

On some deactivated installations, base housing still is being held and "mothballed" after several years.

Immediate reuse of the housing upon departure of the military is the best way to minimize deterioration and vandalism.

#### 2-F. DIFFERENT METHODS OF ACQUIRING PROPERTY

This section discusses the three methods by which surplus federal property can be acquired: (1) public purpose discount for health, education, recreation and aviation use; (2) negotiated purchase at fair market value; and (3) outright sale on a competitive bid basis.

Some introductory points of interest:

The Original  
Owner has no  
Priority Right  
to Reacquisition

- o The owner from whom the Federal Government originally acquired the surplus property has no priority in its sale. (However, plans for sale of properties other than those primarily suitable for industrial or commercial use are developed to afford previous owners the opportunity to bid in open competition.)

Cost Sharing  
of Facilities  
on Partially  
Vacated  
Installation

- o The community that is interested in sharing roads, airfield, utilities, and so forth on a partially vacated military installation negotiates directly with the Base Commander to determine its costs for the use and maintenance of such facilities. This information does not have to be known in order to file the Community's Statement of Intention described in 2-D.

Streets and  
Roads Conveyed  
Free of Charge

- o Streets and roads are not part of a negotiated purchase package -- see 2-F(2). However, they can be conveyed at 100% discount by GSA if dedicated to public use. Streets and roads in surplus properties must be maintained by the community, even in P&M housing areas.

Grants of  
Easements

- o GSA can grant easements to the community in, over, or upon excess or surplus real property under its control. This possibility for access can be extremely important in instances where the community shares an installation with the military.

Lease of  
Facility in  
Retained Area

- o The Base Commander of a partially deactivated installation may lease structures on retained land to the community, if such use furthers the reuse plan. Examples: a hangar on an air base or a supply building on any type of defense installation may be leased for civilian industrial or aviation use, at the Base Commander's discretion.

#### 2-F(1) Property Acquired at Discount

Surplus property reused for public aviation, health and education, parks and recreation can be conveyed to the community at no cost.

Acquisition  
for Public  
Airport Use  
...Without  
Monetary  
Consideration

Public airport: Surplus property for public airport use may be deeded to the community without monetary consideration upon recommendation of the Federal Aviation Administration (FAA). Under terms of the Federal Airport Act, as amended, such property can include land and facilities needed to develop sources of revenue from non-aviation businesses at a public airport,



as well as runways and other facilities required to operate a needed airport. The terms of the deed sometimes stipulate that the Air Force can recapture certain facilities, if essential to defense needs.

Public Health  
and Education  
Discount...  
up to 100%

Public health and education: Surplus property for these uses may be acquired by the community from HEW at a public benefit allowance of up to 100%. Eligible activities are those devoted to academic, vocational or professional instruction, or organized and operated to promote and protect the public health.

Examples of eligible activities: universities, colleges, high schools, elementary schools or school systems, vocational or specialized schools, research activities, public libraries, hospitals, mental institutions, clinics, health sanitation activities including water and sewer departments, and facilities providing public health services.

The planned use must be fundamental in nature: i.e., for classrooms, vocational shops, libraries, laboratories, gyms, dormitories, faculty housing, infirmaries, recreational facilities, etc.

Principal restrictive provision in the conveyance instrument requires the property to be used continuously for the public purpose for a specific number of years--usually 30.

Parks and  
Recreation  
...Without  
Monetary  
Consideration

Parks and Recreation: Surplus property for these purposes may be acquired by the community from the Bureau of Outdoor Recreation/DOI at a public benefit allowance or discount of up to 100%.

Historic  
Monument  
...Without  
Monetary  
Consideration

Historic monument: The Secretary of the Interior may determine surplus land suitable and desirable for use as an historic monument for the benefit of the public. Conveyance of property for that purpose is made without monetary consideration.

Should the community subsequently reclassify for another purpose property originally acquired under the public discount method, the community must buy the property from GSA at fair market value. This again opens the property to other-federal agency review and/or public sale, and so may result in its loss.

Application forms for the transfer of property for health and educational use can be obtained from the regional office of HEW. Forms for the transfer of property for park and recreational use are available from the regional office of DOI's Bureau of Outdoor Recreation. Application forms or instructions for other transfers can be procured from the regional office of GSA.

2-F(2) Negotiated Purchase  
for Fair Market Value

The Federal Property and Administrative Services Act of 1949 as amended authorizes the negotiated sale of surplus real property to communities and other public agencies, provided the estimated fair market value of the property is obtained. Deeds conveying such surplus property contain no restriction on the use of the properties. The negotiated purchase is often called a "buy package". The property is reviewed by GSA for highest and best use and is purchased "as is".

Purchase for fair market value covers surplus property not covered by discount programs. It includes property that the reuse plan indicates is suitable for industrial and commercial development; housing; facilities required for municipal use, such as garages and maintenance shops for the public works department; and so forth.

Negotiated  
Purchase  
Helps Ensure  
Community  
Control of  
Development

The negotiated purchase is an important mechanism for controlling and ensuring development of the reuse plan, especially in the case of the industrial and commercial growth needed to provide projected new employment and increases in tax base. Through negotiated purchase and subsequent lease to businessmen, the community gains great influence on the productive use to which the property is put by the tenants, and can pick and choose from among interested businessmen.

Terms  
of the  
Negotiated  
Purchase

Liberal terms are generally negotiated for community acquisitions under the negotiated purchase method. Standard terms call for 10% down, 10% at the closing, and ten years to pay the remainder. But terms are flexible, depending in part upon the exigencies of the situation. At least one negotiated purchase package has been sold with no down payment, 5% at closing and 20 years for the balance. Interest rates are variable, as for most federal loan programs, and are determined by the Secretary of the Treasury semi-annually.

The community can rezone surplus property prior to sale by GSA, in order to influence reuse. Thus, when land is acquired, community restrictions and zoning apply.

The community is not permitted to acquire real or personal property at discount or under early purchase option in order to sell the facilities for salvage. In the case of a negotiated purchase, GSA discourages resale by the community for a five-year period (see Section 3-C for discussion of rental strategy).

Work Closely  
with GSA on  
Appraisals

Appraisals: The fair market value of property sold to the community under the negotiated purchase method is determined from on-site appraisal conducted for GSA's regional office. GSA generally employs registered private appraisers from the area.

To protect its interests, the community works with the appraiser for GSA. Knowledgeable sources suggest double appraisals, with either (a) the community and GSA agreeing on two appraisers to develop one figure, or (b) the community hiring its own appraiser, with the differences between the GSA and community figures later negotiated.

Military Value  
Does Not  
Necessarily  
Mean Civilian  
Value

It is important to realize that specialized and costly buildings and facilities of great military worth may be ill-adapted for civilian use, and are thus of minimal value in the community's conversion effort. Base housing often lacks the privacy that civilian tenants desire, requires individual water and electric metering and other modifications -- unless used for development housing. Thus, original cost figures often are of marginal significance in determining appraised value for civilian use.

The cost of the negotiated purchase can be significantly higher when the community has to pay for real estate as well as facilities.

Real estate must be purchased if the community did not previously own the land, or its transfer of land to the military failed to include a reversionary clause.

However, negotiated purchase fair market value has proven quite flexible in the past, with GSA apparently taking into consideration the degree of adverse impact the deactivation is expected to have on the community.

Appraisal of  
Environmental  
Impact

Under the National Environmental Policy Act and Executive Order 11514, GSA assesses the potential environmental impact of a disposal of real property, to avoid adverse effects and restore or enhance environmental quality to the fullest extent practicable. Environmental approval usually requires a minimum of three months following submission of a draft environmental impact statement to the Council on Environmental Quality.

2-F(3) Outright Sale on  
Competitive Bid Basis

Surplus properties not conveyed to communities and other public agencies or public institutions can be offered for sale by GSA regional offices, after advertising, on a competitive bid basis.

Outright Sale  
Takes Longer  
and Reduces  
Community  
Control

The competitive bid disposal process normally is far longer than the fair market negotiated purchase method available to communities. One year is considered the minimum time period.

We have already noted that the community can rezone all surplus land to influence its use, and that its control over productive use of property is much less under outright sale to the private sector than when it makes a negotiated purchase from GSA. Under the outright sale method, the community cannot designate or control the buyer. He is selected by GSA.



### 3. O V E R A L L R E U S E P L A N N I N G

Chapter 1 considers initial steps to be taken in the conversion of a defense installation. Chapter 2 reviews the process by which the affected real and personal property are transferred to civilian control, pursuant to the overall reuse plan. Chapter 4 details the Takeover Entity established to implement the reuse plan.

Contents  
of the  
Chapter

This chapter discusses the reuse planning process itself. After noting objectives, goals and restraints, it examines the types of civilian use most appropriate for the different kinds of land and structures being surplus, and ramifications of such uses. Finally, it reviews leasing and sale strategies, land use restrictions and covenants, and the role of in-depth followup technical and financial assistance.

#### 3-A. REUSE PLANNING: GOALS AND OBJECTIVES

Aims of  
Reuse  
Planning

The goal of reuse planning is conversion to highest civilian use of military properties that are to be vacated. This normally means that, first of all, the community concentrates efforts on attracting employers to fill the job gap which may be created by the closure or realignment. Then, it seeks to use other portions of surplus land and other facilities of the installation to satisfy additional community and regional needs. Further aims include

raising community skills and incomes, and enlarging the tax base.

Highest  
Reuse  
Planning  
Mirrors the  
Complex Nature  
of Defense  
Installations

Defense installations vary markedly in size, mission and complexity. Air, army and naval bases can encompass miles of differing types of terrain, facilities and structures. Some can be compared to cities, others to small counties, in the intricacy of their infrastructure and the variety of activity they support. Training centers and supply depots are more specialized and therefore tend to be simpler in nature; but they, too, support a range of functions and uses.

For this reason, most reuse plans are multipurpose in nature. They may involve properties suitable for industrial and commercial development; health and education; recreation and related community activities and uses; housing and new community development; and specialized purposes such as public airports.

Multipurpose  
Reuse  
Requires a  
Multipurpose,  
Flexible  
Plan

The formulation of an overall reuse plan thus requires professionalism and a high degree of realism. Multiple-purpose reuse plans require setting staged priorities and objectives, and detailing specific programs to meet planned aims. In the turbulence of community and regional economic, social and political interplay, it also frequently means compromising: relinquishing worthy projects in order to achieve other equally compelling uses.

Changes are to be expected during the planning process. If they are made from a logical structure of generally recognized imperatives, the reuse plan stands a good chance for success. However, a lack of initiative and planning on the part of the community is recognized as a sign that the community is willing to have its planning done for it, and that can lead to difficulty. As we note elsewhere, primary

responsibility for the reuse plan lies with the community.

First Months  
of Reuse are  
Normally  
the Most  
Difficult

The first year or so after civilian takeover of surplus military property frequently is traumatic. The cost of maintaining roads, grounds, buildings, utilities and sewage treatment facilities can be high, while rent receipts are low. The result may well be a negative cash flow, with expenses exceeding revenues. The Takeover Entity must have adequate financing (see 4-F for discussion of this subject), and must be based on a reuse plan that provides for reasoned, efficient development if the takeover program is to survive and flourish.

This requires reuse planning for logical, highest use of the surplus properties, with attention paid to the differing natures of the component parcels.

3-B. REUSE PLANNING: SEEKING LOGICAL,  
HIGHEST USE FOR DIFFERENT PROPERTIES

Functional  
Reuse  
Potentials  
of  
Structures  
and Land  
Shape  
the Plan

Civilian reuse is dictated in part by the nature of an available structure. Normally, a base hospital is best reused as a health facility for civilians; an armory as a site for private heavy industry, a base school as a civilian educational/training institution. Highest reuse is also circumscribed by topography and soil, accessibility of road and utility systems, and configuration and location.

In addition, environmental considerations affect reuse. GSA considers the impact that disposal of surplus real property may have on the environment, in order to avoid adverse effects. Local governments, and regional and metropolitan comprehensive planning agencies, are given an opportunity to advise GSA if proposed disposal of property is incompatible with their development plans and programs.

Previous patterns of military land use also provide guidelines for the division of properties into functional zones. The reuse plan shapes and refines these into logical areas for related development purposes.

Representative  
Types of  
Reuse

We discuss below various types of reuse for surplus property:

- o Industry and commerce
- o Health, education and training
- o Recreation and related community activities
- o Municipal use
- o Housing and new-community development
- o Public aviation, including joint-use, if applicable, with remaining military unit(s)

### 3-B(1). Industry and Commerce

Some  
Properties  
Obviously  
Suitable  
for Industry

Manufacturing and warehousing reuse of former armories and supply depots, respectively, is a normal aim after deactivation. In the case of large military bases, however, certain portions of the property are more suitable for such development than others. Military activity analogous to manufacturing, maintenance and repair, and warehousing is of course performed

on terrain and in structures suitable for such activity. Thus, identification of obvious areas for civilian industrial and commercial development is relatively easy.

...Others  
Are Not

However, other areas on a base also may have potential: flat parcels adjacent to internal base roads and the railroad; those close to the base perimeter and easily accessible from the external highway network; and other parcels with buildings suitable for manufacturing and warehousing (for example, hangars and repair shops). Inspection visits to the site and study of the catalog of base structures and base maps, define these areas.

Large  
Manufacturers  
Seek  
Serviced  
Areas

Accessible, flat, open parcels that are well serviced with utilities generally make good sites for manufacturing activity. Military structures on such property can usually be adapted for civilian use. In other instances, the prospective tenant who wants to build to his specific needs will find empty, but serviced, land more attractive.

Keep  
Warehousing  
on Less  
Serviced Areas

Where infrastructure of roads and utilities is minimal, the area is best set aside for light manufacturing and for warehousing and other forms of commercial use.

Target  
Prospective  
Industry

Economic base data gathered during conversion planning (see 1-A), plus guidance from local and/or outside industrial development specialists, help pinpoint types of industry and commerce to be sought. So does ingenuity. At former Grenier AFB, old officer barracks house light industry; at former Lincoln AFB, ammunition igloos are used for dead storage.

Former Donaldson AFB and Lincoln AFB have 95 and 43 tenants, respectively, most of them industrial and commercial firms; and most



housed in ex-military structures. Each provides employment for over 2,000.

Do's  
and  
Don'ts

Experience at former defense installations suggests a number of guidelines for community consideration:

(a) Don't be so anxious for immediate cash, or so eager to land that first large industry that you "give away" a key parcel of land or valuable facility.

(b) See firms that appear to be historically oriented toward your region in terms of location -- based upon the conversion committee's study of area industrial development trends. They are the most likely initial prospects.

(c) But, don't be over-reliant on the past. The sheer size of the installation being de-activated, the number, variety and desirability of its structures, and its location -- all these may enable the community to attract a regional manufacturer or distributor who has previously been uninterested because of the absence of comparable serviced (or unserviced) parcels.

(Potential industrial areas on surplus property sometimes exceed the acreage of the region's largest industrial park.)

(d) Be selective, however, about the ability of potential occupants to meet the community's targets in terms of new employment, higher incomes and increased tax revenues -- realizing that tradeoffs may have to be made among those criteria.

(e) To counter the adverse impact of deactivation, concentrate on labor-intensive employers who are not subject to highly seasonal or cyclical employment changes.

(f) Seek firms that attract satellite subcontractors or suppliers who may then be induced to move into the surplus properties.

### 3-B(2). Health, Education and Training

Use Surplus  
Buildings  
to Satisfy  
Health and  
Education  
Needs

Surplus hospitals, dental clinics, dispensaries and schools often can satisfy community and regional needs. Other surplus buildings that can be converted to health and education use include brick barracks (rooms become dormitories, day rooms become classrooms); administrative structures (classrooms, or administrative offices for a wide variety of health and educational organizations), and mess halls (dining facilities).

Satisfaction  
of Needs  
Helps the  
Economy

Health and educational services provide substantial amounts of employment for professionals and support staff. Students and patients require food, clothing and shelter; they attract visitors who may need food and shelter. Satisfaction of these needs stimulates local business.

Facilities devoted to public health and education can be acquired through HEW at discounts up to 100%. For that discount, the use specified must be committed for a minimum of 30 years.

Technical  
Schools  
Attract  
Industry,  
Develop  
Area  
Skills

Organization of technical and vocational schools on surplus property can provide a source of trained manpower -- usually the first requirement of firms when they make new-plant decisions. The schools also develop needed area skills.

Former Clinton County (Ohio) AFB is the site of a four-county regional vocational school; former Schilling AFB is the location of a state technical school and three additional schools and branch campuses; and former Dow AFB is site of a branch campus of the University of Maine.

See  
Appendix A  
for Relevant  
Programs

Appendix A to this manual summarizes a number of HEW programs and services of relevance to communities impacted by closure or realignment of defense installations.

(Many communities with operating military establishments receive assistance, through P.L. 81-874 to compensate for annual operating costs of schools attended by children of federally employed military and civilian personnel. Where deactivation does not permit the community adequate time to readjust its normal educational plans, it may still be eligible under terms of the legislation to receive a continuing entitlement for the following school year.)

### 3-B(3) Recreation and Related Community Activities

Golf courses, picnic areas, parks, campgrounds, tennis courts, swimming pools, lakes, boat launching facilities, youth center and day care center buildings, and undeveloped land areas within the confines of installations

scheduled for deactivation also can satisfy community and regional needs. Parts of the base or facility may be of sufficient interest to attract visitors.

Property  
Committed  
to Public  
Recreation  
Use May  
Be Obtained  
At No Cost

Surplus property dedicated to public park or recreation use may be acquired at discount up to 100% through the Bureau of Outdoor Recreation, DOI. Historic monuments may be deeded to the community by the Bureau of Outdoor Recreation, at no cost. Lands dedicated to wildlife conservation also may be acquired at no cost through DOI's Fish and Wildlife Service. In all cases where cost is not involved, use specified must be committed in perpetuity. Applications for park and recreation use go to the Bureau of Outdoor Recreation, which requests favorable GSA action; other-use applications are submitted directly to GSA, which then coordinates the transfers.

Relevant  
Details in  
Appendix A

Appendix A of the manual summarizes several DOI activities and services of potential benefit or use to communities affected by defense cutbacks.

See Section  
2-E(1)  
Regarding  
Interim  
Leasing  
to Speed  
Reuse

Golf courses and other types of available recreational facilities may deteriorate quickly if abandoned. For this reason, DoD may, with GSA approval, expedite community use of appropriate excess property through interim leasing. The interim lease is covered in Section 2-E(1) of the manual. The lease permits the community to operate the golf course immediately, providing for its use and maintenance in good condition.

3-B(4) Structures and Facilities  
for Municipal Use

Various structures and facilities to be surplusd may be needed by municipal departments and commissions. They may range in size and scope from airport and flight line facilities for the operation of a municipal airport, to garages and automotive maintenance shops for the community's department of public works, and small buildings to house municipal services.

Except for transfer of property for public airport and related use (see 3-B(6) below), and other discounted purposes, acquisition for municipal use is made through negotiated purchase at fair market value. Chapter 2-F(2) discusses that method.

3-B(5) Housing and  
New-Community Development

Former  
Base Housing  
Can Ease  
Community  
Needs

Surplus base housing frequently serves to ameliorate a community's shortage of residential structures for individuals and families of low and moderate income, and for the aged. The nature of base residences makes them particularly suitable for development housing. In such cases, the property is acquired through negotiated purchase at fair market value, and its disposition is coordinated with HUD, which may provide financial assistance to acquire the property.



Base Housing  
Can Be  
"Mothballed"  
if Market  
is Soft

Where there is little or no civilian sales market for base housing, and its release would seriously hurt local values, the community can request a HUD market analysis. Upon an adverse report, the housing can be held off the market and protected through a Protection and Maintenance (P&M) contract with a local housing authority. Section 2-E(2) covers this situation in detail.

HUD's New-  
Community  
Programs  
May Apply

HUD also is involved in a number of programs concerned with land development and new-community development that may be appropriate in military deactivation situations. It provides comprehensive planning assistance for community planning and development (so-called Section 701 planning grants); assists in the financing of land acquisition and development costs for new communities that might be constructed on vacant surplus property; and sponsors a national demonstration program designed to create new communities on federal surplus land.

Relevant  
Details in  
Appendix A

These and other HUD programs and services of potential use to impacted communities are summarized in Appendix A. Further details are available at HUD's Office of New Communities Development, and HUD regional offices.

3-B(6) Public Airport;  
Joint Aviation Use

No Cost  
for Property  
Dedicated  
to Public  
Airport  
Use

Airport and flightline facilities of an air base that is scheduled to close can be acquired by the community or another public agency at no cost, provided they are committed to public airport use in perpetuity. Application for the transfer is submitted to GSA, which coordinates disposition with the Federal Aviation Agency. Several former Air

Force bases have been converted into municipal or county airports through this procedure, including Schilling, Dow, Lincoln and Larson.

Types of  
Air-Oriented  
Industry  
on Surplus  
Property

Other communities have developed air-oriented industry on former military bases. At former Donaldson AFB, the Takeover Entity rents the airfield and flight line facilities to a firm that modifies military and civil aircraft. At Amarillo, a helicopter repair program at the air base employs hundreds. And at Clinton County Airport, a supplemental carrier employs over 100 at a maintenance and modification facility.

At McCoy/Orlando AFB, in the process of deactivation as this manual was written, several fixed base operators seek space. Other air-industry uses include commercial airline carrier maintenance, commercial airline carrier training, and general aviation.

Industrial parks have been established at many former air bases. However, they are not air-industrial parks; i.e., industries locating in the parks make only minimal use of air facilities for receipt of raw materials or shipment of finished product.

Joint  
Civilian/  
Military  
Air Use of  
Air Force  
Bases  
(AFR 55-20)

Portions of functioning Air Force bases are surplused from time to time, with the local community acquiring portions for aviation purposes. In such circumstances the base commander and the community enter into a joint-use agreement.

Air Force Regulation 55-20 describes procedures for the use of Air Force installations by aircraft other than DoD aircraft. Joint use involves civilian use of runways, taxiways, control tower and other facilities. It thus involves sharing of Air Force costs to maintain and operate the air facilities.

(Examples  
of Non-  
Aviation  
Joint Use)

(Joint-use costs may be involved in situations that do not relate to AFR 55-20: for example, where surplus buildings and facilities are tied into the defense installation's central heating plant; where military railroad trackage is used to transport material to and from industries located on surplus land; or where an added security force is required because of the presence of civilian industry on a base. But such joint use can occur in many instances when DoD activities continue after realignment. They do not apply solely to Air Force bases. In these cases, joint costs, as well as problems of access and use restrictions, are worked out between the Takeover Entity and/or civilian user, and the base commander.)

AFR 55-20  
Agreements  
Are  
Negotiated  
at the  
Local Level

AFR 55-20 sets overall Air Force policy concerning joint use. The agreement is reviewed and approved at Air Force headquarters. However, each agreement is negotiated at the local level, and applications of pertinent regulations vary, according to individual local needs and possibilities. Constraints are flexible regarding space, maintenance, civilian traffic levels, manning of control tower, servicing, etc.

We summarize here pertinent aspects of three representative instances of joint civilian airport/AFB use:

Examples...

- o The Dover AFB/Kent County joint-use agreement requires county construction of a civil air terminal with parking space for aircraft, automobiles and servicing. Civilian traffic is limited to 20 operations per day, but the limit may be waived by the base commander under certain circumstances. No training or practice may be conducted. The county collects landing fees; it may charge more than amounts specified in AFR 55-20, retaining the balance for flightline operation costs.

- o In 1968, at McCoy AFB, the City of Orlando, which once had owned the land, received a 20-year lease of 1,000 acres including a 12,000-foot uninstrumented runway, terminal building, and land upon which it built a high-speed taxiway. Cost: \$1 for the 20-year period.

Joint use agreement restraints are minimal: Traffic limitations have been successively raised as civilian flights reach the operations ceiling. Local contribution is not required for maintenance of a second 12,000-foot runway, retained by the military but used by civilian aircraft under instrument conditions. The tower is operated by the Air Force at no charge to the city or airlines, even though civilian flights far outnumber military flights. The City and airlines adhere to strict AF standards on safety, fire and clearance standards.

- o A December 1973 joint-use agreement between Charleston AFB and the City of Charleston, S.C., includes: FAA control of the tower; military priority of movement through joint-use areas; prohibition of civil training flights; USAF rescue and fire fighting services; and City retention of landing fees over stipulated annual totals. General (i.e., non-commercial) aviation is permitted; and there are no restrictions on number of daily operations.

Although the cited joint-use agreements involve community or county use of Air Force operated facilities, the opposite is often the case. Many military units lease space at civilian airports. At times, in a partial closure situation, the Air Force may be

receptive to leasing space from the civilian Takeover Entity.

Property  
Designated  
"Aviation  
Revenue  
Producing"  
Obtainable  
at No Cost

In joint use situations it is possible for the community to obtain at no cost valuable surplus aeronautical-type property by designating it "Aviation Revenue Producing". Under such dedication, lease revenues from the property are used to support air share of joint-use costs. Prerequisite to such dedication is an operating joint-use agreement.

### 3-C. MARKETING STRATEGY

Rent,  
Don't Sell,  
Negotiated  
Purchase  
Property...  
At Least  
For Five  
Years

For the past decade, GSA policies have discouraged quick resale of surplus property acquired by the community through negotiated purchase at fair market value. The negotiated purchase process is meant to cover bona fide public benefit acquisitions. GSA considers communities that sell negotiated purchase property to private interests within five years to be real estate agents, rather than developers primarily interested in creating jobs and tax revenue--and agencies not averse to reducing federal return in favor of higher profit for private firms.

Advantages  
and Dis-  
advantages  
of Renting

Rental rather than sale of property to industrial and commercial firms can give the community greater power to select the types of jobs to be created, and helps create long-term cooperation between the community and prospective clients. Renting may also create a problem: large firms generally prefer purchase of land rather than leasing. They may hesitate to build or make major investment on a lease basis. This objection can often be overcome by including a purchase option in the lease agreement.



Base Rents  
on Surrounding  
Levels

In renting surplus real estate and structures, Takeover Entities have usually made their own appraisals of value, or have contracted the services of professional appraisers. Values at some former defense installations are appraised on a basis consistent with surrounding property and building values. Other Takeover Entities report they rent, and later sell at fair market value, on a completely non-discriminatory basis to potential lessees and purchasers.

...Employment  
and Type of  
Business

Rather than simply determining rental value on strict comparability with similar values in the neighboring area, some entities tailor pricing techniques to include factors such as labor-intensity, projected tax revenue, and wage levels. Tradeoffs may be made among the three variables, with, for example, rent somewhat lowered for firms that have high labor-intensive and/or tax-revenue potential. (Charges to lessees for utilities and services should of course be comparable to similar costs in surrounding areas.)

Seek to  
Attract  
New Employers;  
Don't  
Simply  
Shift Local  
Firms to  
the Property

The community seeks new jobs. Thus most Takeover Entities forbid relocation of existing industries or businesses to the acquired property from within the community. Exceptions to this general rule are occasionally made to permit the move of a firm housed in an inefficient, old downtown building -- to keep it from seeking new quarters in another community; or leasing a building on the property to a local manufacturer faced with a relocation problem due to urban renewal; etc.

Favor  
Manufacturing  
over  
Distribution

Again, because job creation is normally the primary need, Takeover Entities prefer manufacturing firms to distributors. Many refuse to lease buildings for dead storage, except on a short-term basis, or in space unsuitable for higher use.

For short-term leases, or leases for insignificant structures, simple letters of agreement normally suffice. However, for larger lessees, formal lease documents are prepared, setting forth nature of premises and privileges; obligations of lessor, obligations of the lessee; term of leasehold; rental terms; insurance and indemnification; encumbrances; and termination of lease, cancellation, assignment and transfer.

### 3-D. LAND USE RESTRICTIONS AND COVENANTS

It is important that the character and environment of surrounding facilities and neighboring areas be preserved, and that the lessee conform to the overall reuse plan. Thus, leases generally incorporate by reference declarations of deed restrictions and covenants.

Analysis of "conditions, covenants, restrictions and reservations" documents used by three Takeover Entities for areas devoted to industry and warehousing reveal a similar pattern:

#### Typical Permitted Uses

Permitted uses: offices for executive, engineering and administrative purposes; scientific or research labs; manufacture of light machinery, metal products, paper and wood products, food and beverages, electronic products, etc.; other industrial uses not specifically prohibited; warehouses and storage buildings; public utility installations; and transportation facilities.

Prohibited Uses	Prohibited uses: junk/salvage operations; slaughter houses; acid manufacturing; boiler and tank works; coal tar manufacturing, tar distillation, or creosote manufacture or treatment; explosive or fireworks manufacture or storage; fat rendering; fertilizer, gas, glue or gelatin manufacture; incineration; saw mills; tanning or curing plants; smelters; stock yards; and in general those uses which may be obnoxious or offensive by reason of emission of excessive odor, dust, smoke, gas, noise or vibration.
Building Coverage	Building coverage: buildings and structures not to exceed 30%, 40% or 50% of the land area of each site (each Takeover Entity has a different standard).
Building Height	Height: 45 feet (in one instance) or 50 feet (in another), or the maximum height permissible under FAA regulations, whichever is the smaller.
Setbacks	Setbacks for buildings and structures: Takeover Entity A: 65 feet from lot line facing street, 25 feet on sides and rear; B: 50 feet to front property line, 10 feet to side or rear, or 25 feet from side street; C: 30 feet from front right-of-way line, 20 feet to side or rear.
Off-Street Parking	Off-street parking: Off-street parking to be asphalt paved, with 200 square feet provided per car. Number of parking spaces per employee and expected visitors are detailed in one document. On-street parking banned by all.
Loading/ Unloading	Loading and unloading facilities: not permitted on front street side. All unloading and loading facilities, including truck parking, loading and maneuvering space, entirely within building setback lines.

Outside Storage	Outside storage: permitted within building setback lines, but to be visually screened by walls, fences and landscaping from all streets.
Advertising/ Signs	Advertising devices, signs, billboards: restricted to identifying name, business and products of occupying firm; generally restricted as to size and design.
Landscaping	Landscaping: land areas not occupied by structures and driveways to be kept planted with grass and cut, together with reasonable number of trees and plants for shrubbery. One covenant sets time limit for landscaping; another requires lessee to agree that Takeover Entity will landscape if he does not, and charge accordingly.
Approval of Site Plan	Site plan approval: all covenants require approval of plans and specifications.
Maintenance	Maintenance of premises and unused land: tenants/owners required to keep sites safe, clean and in wholesome condition, free of rubbish and other fire hazards.
Structural Materials	Structural materials: usually specified to be of fireproof or fire-resistant material.

### 3-E. FOLLOWUP TECHNICAL AND FINANCIAL ASSISTANCE

Sections A, B, C and D of Chapter 1 focus on procurement of initial conversion-planning assistance from outside individuals or public agencies: private consultants, area and regional organizations, and state and federal agencies. Such help can be significant to the success of planning efforts.

Continue  
Seeking  
Help from  
State,  
Federal  
and  
Regional  
Agencies

Continuing assistance, advice and counsel from outside agencies helps assure best and highest reuse of surplus property throughout the takeover process.

Thus, the Takeover Entity should maintain continuing contact with state departments of economic development, commerce, housing, community development, etc., whose financial and technical assistance and implementing abilities can ease its task. It should also retain contact with the Federal Regional Council (see Section 1-D), whose members are responsible for providing continuing federal assistance over the longer term. The Economic Development Administration has funded followup studies that permit in-depth analysis of development possibilities uncovered in initial, overall reuse studies of an installation.

Because the Takeover Entity must be a public agency to acquire surplus federal property, it continues to be eligible for various types of federal assistance.



#### 4. THE TAKEOVER

##### ENTITY : ORGANIZATION

##### AND MANAGEMENT

Local government officials and civic leaders faced with deactivation or realignment of a defense installation view the situation from a wide assortment of perspectives, and with different responsibilities.

Concern varies with actual or perceived impact on employment, income, tax base and real property values, and nearby businesses.

Whatever the geographic, economic and political situation faced by the reader, he and his associates in the conversion planning effort will quickly determine that a properly constituted Takeover Entity is prerequisite to full recovery and optimum benefits.

The readiness of the affected community to move toward this objective is an important variable. The announcement of a change in operation of a defense installation sometimes finds the community able to acquire and operate it, through an existing public, quasi-public or other public purpose or not-for-profit agency with built-in legal scope and funding sources. In some cases, the organization may exist on paper and simply require activation. In other cases, the Takeover Entity will have to be newly created.

This final chapter of the manual addresses the problems, circumstances and requirements toward which an effective Takeover Entity should be aimed and structured. After reviewing background considerations such as extent of

deactivation, land ownership, political jurisdictions and impacts, etc., it discusses structuring of the Takeover Entity, industrial development organizations, directing and financing the entity, incentives and subsidies, acquiring special or short-term expertise, and the marketing effort.

#### 4-A. BACKGROUND CONSIDERATIONS

##### 4-A(1) Extent of Deactivation

When the  
Military  
Withdraws  
Completely

The formal announcement that a military base or other defense facility will be closed tends to elicit standard reaction from the affected community: rapid organization by civic and governmental leaders of an effort to reverse the decision. The reaction is understandable; its effectiveness has been demonstrably poor. The process which precedes decisions on which defense installations are to be cut back or closed is one in which Department of Defense officials anticipate community objections and prepare for them.

The experience of communities affected by closures in prior years suggests that the energies and influence that can be exerted by the community are more productively channeled when they are directed at planning for highest use civilianization of the facility. It is generally found that full closure presents redevelopment opportunities that are less complex and better than phased deactivation, realignment, or a middle-ground standby status. The first reaction of community leaders may lean--understandably--to exertion of influence to maintain the status quo at the military base. Subsequent efforts may be directed at a fully opposite objective: to change a partial deactivation into a complete closure.

Although full military withdrawal may well provide best opportunity for civilian reuse, the economic realities entailed in acquiring and redeveloping an entire installation can place sobering constraints on a community's drive to achieve this type of resolution. The financial needs and limitations faced by Takeover Entities are discussed in this context.

When the  
Military  
Withdraws  
in Part,  
or Changes  
Mission

The scope and complexity of a Takeover Entity's purpose is greatly affected by the nature of the change that is to take place at the base. Total deactivation aside, the DoD action may involve:

- transfers of one or more units to other facilities, with or without offsetting transfers of units from other bases into the base in question
- intention to declare land areas and structures as excess to military needs but retaining other land tracts and facilities for the remaining host units
- change from operation by an active military service unit to reserve or other thinly manned status
- DoD requirements varying from need to maintain full control of the installation, with joint civilian use permitted under negotiated terms, to preference that the base pass to civilian control and military units lease retained portions, paying for use of land, facilities and services.

The community's Takeover Entity can be structured, and its powers and responsibilities defined properly, only after it is established which of these conditions or combinations of conditions apply. The liaison role of DoD's Office of Economic Adjustment can be significant in assisting community leaders in arriving at these determinations.

Whether DoD's announcement confronts the community with full withdrawal or partial deactivation, the process of producing consensus on reuse goals should be started quickly. Representatives of public and private sector interests should be convened to develop practicable proposals on what the objectives laid down for the Takeover Entity should be. Although they will be subject to considerable modification as circumstances change, plans geared to the final reuse of the base can be put into motion early.

#### 4-A(2) Ownership of Land Area

##### Federally Owned Land

Military installations are usually on land that is owned by the Federal Government. It is not uncommon for the land to have been acquired in relatively recent times with a provision that, if the Government no longer requires its use for the armed forces or other specified need, the land is to revert to its original ownership.

The conversion effort is facilitated by a reversion clause in the hands of a community which yielded land to serve the national need. Most importantly, the financial burden of takeover is lessened substantially because the land doesn't have to be purchased. It is also a factor of major significance in arriving at the value of structures and other fixed assets.

##### Land Owned by State or Local Government

The situation is similar when the Federal Government has operated a defense installation on land leased from state or county government; the financial requirements of takeover are smaller. But the Takeover Entity may have to be structured to represent the state and/or several local community interests: an unincorporated village, the township in which it is located, and the county in which they lie.

The acquiring entity is likely to need the unified backing of all these levels of government, and sometimes of adjacent communities not directly concerned.

#### 4-A(3) Political Jurisdictions and Impacts

##### Overlapping Jurisdictions Complicate Takeover

When the tract on which an installation lies crosses political boundaries, the nature of the Takeover Entity is affected by factors including the legal authority under which it is formed; the form and content of special legislation which may be sought for its creation; the range of interests it must represent; the manner in which its policy-making board is selected or appointed; and the local government(s) to which its board members and staff are accountable; and the government(s) to which its earnings will be paid.

When the entire installation is located within a single community, the task of the Takeover Entity is easier. Ultimately, the value of that simplification is in the greater speed with which an effective Takeover Entity--one that is adequately empowered to deal decisively with the myriad issues of reuse planning and finance--can be created and set in motion.

The complexity of takeover is compounded by location within more than a single political unit; for example, when it lies within the boundaries of two or more communities, or is divided between a community and a county. In a situation which calls for a harmoniously designed overall use plan, historically different community needs and contexts--central urban vs. suburban or semi-rural, industrial/commercial development vs. recreational or civic, differing levels of development of infrastructure, socio-economic conditions and objectives, political leadership--are injected into an already difficult set of strains and stresses.



Few generalizations can cover the range of potential conflicts that can arise in consequence of the public, economic and personal forces which may be entailed. Public officials and civic and business leaders have to ponder the few that are applicable in every relevant case where the need to mount a successful reuse effort is accepted:

- (a) That, somehow, out of what may be a welter of confusing viewpoints and objectives (including singleminded adherence to one "right" direction for a takeover plan), contending forces will ultimately have to yield to a concerted effort to implement a common plan for their common benefit.
- (b) That if there is a large disparity between the financial and personnel resources of directly concerned municipalities or counties, expenditures of mantime and funds by the larger/largest entity are predictably greater and its officials will spearhead the joint planning effort.
- (c) That the retention of consultants to prepare a basic reuse plan may be the expedient way to enhance development of an objective report that will guide the Takeover Entity.
- (d) That the close liaison prerequisite to a successful takeover requires designation of a Conversion Director--in some cases, a paid official; in others, a dedicated civic leader who can devote exceptionally generous time to the reuse effort--in each of the directly affected communities--to perform the day-to-day tasks of leadership and coordination. Experience suggests that these key liaison roles are best performed on a full-time basis almost from

the day of a DoD announcement of closure or realignment. (See Chapter 1-A(2) for discussion of the Conversion Director's role in the intensive early effort.)

Whether the installation lies in one county or municipality or physically overlaps one or more boundaries, the effects and potential benefits of a closure or realignment are rarely confined to jurisdictional lines.

We have noted that cash expenditures of military personnel and their families tend to flow into adjacent business centers in greater concentrations than in outlying centers. Impacts of reduced school populations and consequent reductions of federal compensation to school systems are felt locally rather than regionally; and potential benefits of improved tax base through introduction of private sector investment on formerly public property directly benefit the local government entity on which the private enterprise would be located on a civilianized installation.

Impact of  
Deactivation  
Crosses  
Political  
Boundaries

But the wider-reaching effects of closure and reuse extend beyond local boundaries. Losses of civilian employment (and, conversely, gains in job opportunities created by redevelopment); availability of former federal facilities for uses in education and training, health services, recreation and conservation; industrial demands on transportation capacity, energy, water and other natural resources; and a host of other effects invariably make sound civilianization a legitimate concern of whole regions. Not infrequently, these concerns cross state lines.

Should the Takeover Entity be a department of local government whose existence and responsibility predate a DoD closure announcement, it may require little more than modification of

its current operational scope to provide legal authority to deal with an expanded public mission.

However, in many cases, the takeover and reuse effort require that representatives of public and private interests in a multi-governmental region participate in the formation of a Takeover Entity--see 1-A(3).

#### 4-A(4) Joint Use Agreements Predating Realignment

A Prior Joint-  
Use Agreement  
can simplify  
Takeover

One significant difference among Air Force bases being closed or realigned relates to joint use by military and civilian aircraft and base operators and civil government agencies. There are a number of bases nationwide where closure was preceded by a period in which military operations were wound down in a planned phaseout. Under conditions prescribed in AFR 55-20--see Chapter 3-B(6)--bases with reduced levels of military traffic have been operated by the Air Force and flight line facilities opened to civil aviation. (The regulation also permits the converse relationship: operation of a formerly military facility by civilian authorities, with elements of regular or reserve Air Force units remaining as tenants).

The task of Takeover Entity is simplified by the existence of a prior joint-use agreement, since it eliminates the necessity of negotiating--in the midst of a host of other pressing issues--alternative cost and operating relationships. When a base is being closed after a period of joint use, the agreement will no longer be operative and the Takeover Entity will have to deal with the economic viability and potential of the former base as a civil air facility. Where joint use existed at a base that is now to be operated with a reduced or substantially changed mission, the program of the Takeover Entity may encompass analysis

of whether the community should negotiate acquisition, with the military installation to be operated as a civil aviation airport and the military unit occupying space and using flight-line facilities as a lessee.

#### 4-A(5) Nature of the Region

Considerations of economic activity and life style in the community surrounding a military installation are basic in the planning which follows closure or realignment. A naval shipyard is likely to have been placed in a seaport city with a maritime tradition and a labor force with appropriate skills developed through a century or more. An army base can date back to a 19th century outpost in an area whose current developmental stage presents limited attractions to the private sector. Similarly, an air base may have been selected because land, unobstructed air space and sparse population were particularly suitable to a mission that would be unsuitable for a dense, industrialized region.

The Takeover Entity, normally concerned with planning reuse that will offset reduced military and civil service payrolls and local procurement in the civilian economy, can face problems or identify advantages which are largely reflections of the economic backdrop of the region. The net loss in job opportunities may be miniscule when base-connected personnel transfer out and are no longer residents; residential housing and loss of federal contributions to local school districts may constitute the most visible problem faced by the community and the Takeover Entity. The phaseout of a federally-owned plant for the manufacture of arms or ammunition may call for a single-purpose aim: replacement of jobs for community residents no longer employed, by attracting a new industry which can adapt the closed plant to its production needs.

The foregoing examples are a limited sample of the variables which shape the organization and management of a takeover entity. Local officials and civic leaders of the conversion committee who assume the burden of assessing their community's needs will want to assess the magnitude of planning efforts in light of the magnitude of the problems posed by realignment or closure, and the resources--public and private--that can be brought to bear on their solution. They will also assess community desires and expectations for guidance in creating a sound Takeover Entity.

#### 4-B STRUCTURING THE TAKEOVER ENTITY

Aim of Takeover Entity Determines its Powers and Responsibilities

With all of the possible variations in a community or regional situation weighed and the applicable factors identified, the body charged with creating a suitable entity for the takeover role can approach the task of deciding what the Takeover Entity should do. More specifically, it can draft the guidelines for enabling legislation required at state or local level for a Takeover Entity that will respond to planned needs and objectives.

We examine here alternative frameworks within which a Takeover Entity may be constituted.

##### 4-B(1) When Aim is Only to Negotiate and Acquire

Sole Purpose:  
To Acquire  
Property From  
GSA

The Takeover Entity can be created solely to deal with the General Services Administration to secure real and personal property. This role is, in fact, the primary purpose



underlying the need for the entity. When the details of the excess package are set and GSA's preparatory procedures are completed (see 2-C), it will seek a community-based and properly authorized entity with which to conduct negotiations leading to disposal that is equitable to the Federal Government and local interests. The Takeover Entity can be created to perform this one crucial task--to act as a unified agent for the community. Having struck the most advantageous bargain for real and personal property, the Takeover Entity may then sell and/or relinquish title to all its acquisitions to appropriate parties and cease to exist.

#### 4-B(2) Full Scope Takeover Entity

Full Scope  
Takeover  
Entity Acquires,  
Markets and  
Develops the  
Property

In the absence of active, extant alternate public or private bodies to assume the task of marketing and developing industrial and commercial land and structures, its framers can structure the Takeover Entity to survive the acquisition phase.

Full Scope  
Entity Often  
Fills Vacuum

The rationale for an ongoing role of implementation can vary. Most frequently, it stems from the need to fill a vacuum. In some communities--especially those in which industrial development has held low priority because the need was absent or unrecognized before the closure announcement--the skills and talents to do the job may be largely unavailable. In other instances, a local development corporation may exist (often as an adjunct of the Chamber of Commerce) only on paper. An active development corporation headed by capable individuals may be deemed committed to the promotion of but one of several affected communities and thus unacceptable to act in the common interest.

In most of the circumstances cited and others, a newly formed Takeover Entity will be required to provide capabilities which are not or cannot be vested in preexisting entities. Foremost among them might be the legal power to finance acquisition of the base or plant facilities from GSA; to seek funding of staff personnel, promotion, operating capital, technical assistance and consulting services, or maintenance of property acquired until highest use disposition is effected.

Responsibilities and Powers of a Full Scope Entity

Whatever the reasons for structuring the Takeover Entity so that it can serve the community's best interests after acquisition, its organizers should be guided by a number of criteria for the viability of a full scope entity. Legally, it should be able to:

...Receive Grants and Loans

- o Receive and accept from any federal agency or the state or municipalities grants, loans or advances for and to assist economic and industrial, civic, municipal and all other projects which will enhance reuse of the former military installation.

...Issue Bonds

- o Issue revenue bonds for the purpose of paying all or any part of the cost of a Takeover Entity project. (Depending on state legislation and the advice of qualified bond counsel, it should also be empowered to seek the full faith and credit of the state to back any bond issuance.)

...Acquire Property

- o Acquire, from GSA or other public or private sources, land or structures or equipment it may require to accomplish its purposes.

...Improve, Build and Rehabilitate

- o Clear and improve property it acquires, and to engage in or contract for construction, rehabilitation or other actions necessary to render its acquisitions marketable.

...Arrange  
for Access  
and Utilities

- o Contract with or arrange with municipalities for the planning, opening, grading or closing of streets; with utility companies for power lines, gas, water, steam or their redistribution.

...Dispose  
of Property

- o Lease, sell, mortgage, exchange or otherwise dispose of property of the Takeover Entity.

Staffing  
Determined  
by Task

The organization required to function in these areas will vary with the dimensions and complexity of the property it acquires and with the resources of the community. Its depth may vary from:

...from  
Several  
Paid  
Full-Timers

- o A paid, full-time staff headed by a manager and a staff adequate to devise and carry out planning, financial management and bookkeeping, and marketing programs. With due regard for budget related to revenue potential and the size of the installation, staffing may consist of the director (charged with all the key functions outlined) and a secretarial/assistant...and possibly specialists in engineering, marketing and promotion, and finance.

...to a  
Part-Time,  
Unpaid  
Manager

- o A public official or civic leader, serving without additional compensation as the part-time manager of the Takeover Entity.

(In the cases of former defense establishments visited in preparation for the writing of this manual, the consultants found the business of small installations conducted by one person, in addition to his full-time activity. At large former installations, Takeover Entity staffs varied from two to five. See 4-D below for further discussion of this subject.)

4-B(3) Assignment of Takeover  
to Preexisting Entity

A municipal airport authority may be a logical apparatus already fitted to take over a closed Air Force base. So may other agencies of local government; a local not-for-profit industrial development corporation; or a state entity (if the state appears to be the suitable level of takeover).

The public entity might then contract with a for-profit developer or operator to market the property to industrial and commercial tenants.

4-B(4) Role of the Takeover Entity  
in Multi-Purpose Reuse Plan

Takeover  
Entity  
May Bridge  
Public and  
Private  
Goals

Although the main purpose of reuse planning is generally to offset economic loss to the surrounding region--industrial and economic development are not the sole objectives of takeover in many cases. Disposal of federal property by GSA may be arranged directly with public or non-profit agencies when the master plan for reuse calls for non-profit purposes.

However, the Takeover Entity may be called on to negotiate acquisition of a package which includes some land and structures which will be used for development of investment opportunities and some for public purposes. In such cases, it must be framed with capability to:

Goals of  
the Full-  
Scope  
Entity:  
Jobs, Tax  
Revenues,  
Public  
Services

- a. Market surplus properties whose main potential is for industrial and commercial enterprises geared to generate jobs and payrolls;

- b. Develop the installation so that its tenants will add to local tax bases and increase public revenue in the form of lease and purchase payments flowing from the Takeover Entity to municipality/town/county government;
- c. Acquire and develop or turn over to appropriate local government agencies portions of the former military installation designed (or suitable) for recreation or conservation purposes, health services, education and training.

#### 4-C. INDUSTRIAL DEVELOPMENT ORGANIZATIONS

Industrial  
Development  
Organizations  
Vary from  
State to State

Legislative provisions for industrial and commercial development assistance vary widely from state to state. The extent to which private ventures are equipped to handle the opportunity presented by closure or realignment is equally disparate. The Takeover Entity may, in differing circumstances, have access to all or none of the complementary programs which exist in state law and the business community. Among these are:

Industrial  
Development  
Corporations

- a. Industrial Development Corporations, authorized under federal law and in many states, are created to promote new investment and job opportunities. Formed under sponsorship of a Chamber of Commerce or similar group, they often acquire land for development of industrial parks or similar projects, or bring together the leaders of local commercial, industrial, labor, real estate, banking and public bodies to develop reuse of a closed plant or other industrial/commercial facility.



Industrial  
Financing  
Authorities

- b. Industrial Financing Authorities, state-financed entities formed to attract desirable investment and payrolls by facilitating funding for new or relocating industry: Often limited to mortgaging fixed assets (so-called brick and mortar collateral), such state authorities may provide money to launch a new industry either by (1) guarantees to private lending institutions, (2) participation in federal loan programs requiring local input, or (3) subsidies to provide below-market interest rates and extended maturities.

Private  
Development  
Interests

- c. Private interests whose focus is the sale, lease or development of industrial and commercial investment: In addition to support from broad-based business groups such as Chambers of Commerce or chamber-linked development corporations, the Takeover Entity may enhance successful reuse by securing the backing of for-profit firms and individuals such as industrial realtors and land developers, local utility companies and railroads. These private interests can provide industrial prospecting data which, while not specific to the locational advantages and facilities of the military installation, can form the basic promotion package for the Takeover Entity's marketing program.

4-D. THE BOARD: POLICY DIRECTION  
OF THE TAKEOVER ENTITY

Whatever the scope of the entity's mission, the making of policy and monitoring of implementation require a policy-making board of directors or group of advisors. Generally unsalaried (although authorized

reimbursement of necessary expenses may be advisable), board membership should reflect the interests of key elements in the community.

Define Board  
Terms and  
Criteria for  
Selection

While there can be no right or wrong way to select its chairman and members, nor a critical size of this body, experience suggests several guiding criteria:

- a. Identify term of existence of the board (to reflect its purpose as a short-term Takeover Entity or a continuing operational unit) and tenure of its chairman and members. (Self perpetuating boards can become problems.)
- b. Define the range of interests to be represented in the board's structure; that is, geographic residence; special expertise such as finance, engineering, planning, education or health; real estate; economic development; local government; etc.
- c. Restrict its size--probably to no more than 7 or 9 members including the chairman--to help assure that it is not too cumbersome to act quickly and decisively when a quick solution is sought as issues arise.
- d. If more than one local government or level of government is to be represented on the board of the Takeover Entity, its framers should recognize the financial and political realities involved. Representation of state government may be wise if its financial strength is crucial to any borrowing method required to finance acquisition or secure seed money for initial working funds. At the same time, officials of the community should require assurance of local control of development policy.

#### 4-E. MANAGING THE TAKEOVER ENTITY

As in a conventional governmental or corporate structure, the role of setting policy and that of implementing it are likely to be separate. The board of a Takeover Entity is composed of leaders with other full-time occupations; their decisions have to be implemented by full-time employees in most situations.

First  
Order of  
Takeover  
Entity  
Business:  
Select a  
Manager

We noted earlier that the scope and complexity of the properties acquired will largely dictate the size and organizational nature of the Takeover Entity. But the point at which the takeover effort should be headed by a paid executive is clearly identifiable. Just as the community's conversion committee--formed as quickly as possible after DoD's closure announcement--should quickly designate a short-term Conversion Director to coordinate the reuse planning effort in its first stages (see 1-A(2))--the board of directors of the Takeover Entity should select a manager as its first order of business.

The role of the manager is crucial in bringing the entity's stated acquisition objectives and redevelopment goals to realization. His first priority mission may be to negotiate with GSA acquisition of properties at costs and on terms sought by the Takeover Entity's board, or to arrange interim use permits or mothballing of surplus facilities it cannot purchase but wants withheld from public sale in the public interest; e.g., military housing whose sale on the open market has been found by HUD to threaten serious disruption of local values--see Section 2-E.

Because the primary aim of reuse is generally to counteract adverse economic impacts of closure, the principal long-term function of the Takeover Entity's staff is likely to be

the marketing and development of industrial and commercial structures and land. Thus, the manager--if he does not also function as marketing director--is likely to perform best if capability in this key program area is a criterion in his selection.

Initially, the manager may only require a secretarial assistant. He might at that point secure professional expertise on an ad hoc basis--legal, engineering, financial, etc.,--from state and community officials.

Key Skills  
Required  
of Entity  
Personnel

When early development efforts have generated revenues from leases and rentals, and development of new industrial or commercial facilities on the former defense installation, the budget of the Takeover Entity may then permit the hiring of key specialists. Managers of entities at former defense installations point at a number of professional backgrounds as particularly suitable to the top post, with engineering predominant. The first post likely to be filled after that of manager is that of marketing director, followed by financial administrator.

4-F FINANCING THE TAKEOVER ENTITY  
AND TENANCIES

Initial  
Income is  
Generated  
by Lease  
and Rental  
of  
Facilities

From the outset, the financial viability of a Takeover Entity hinges on generation of lease and rental income. The readiest source of such income is facilities present at the military installation at the time of takeover: shops, industrial-type buildings, flightline facilities, hangars and former warehouse buildings.

Development of unserviced acreage normally requires capital investment well in excess of lease or rental income. The funding of

large scale capital investments in surplus properties often requires the marketing of bonds.

In most municipalities, marketing a general obligation bond is either impracticable because the financial condition and resources of the city or county are inadequate to the sums required or because it is barred by legislation.

A more suitable course is likely to be a bond issue backed by the revenue anticipated from development of the reused properties for industrial and commercial tenancy, and collateralized by the land and structures purchased from the Federal Government.

Factors That  
Affect  
Marketability  
of Revenue  
Bonds

Industrial revenue bonds can be attractive to financial institutions and investors because interest is usually exempt from federal and state income taxes. However, the generalization does not assure the marketability of all such issues, or that the interest they must carry to attract investors will be at an economically feasible rate. Two principal factors governing marketability are (1) the state of financial markets at the time a bond issue is under consideration, and (2) the credit of the "bird-in-the-hand" industry slated to locate on the reused installation. These and other factors may be insufficiently favorable to assure a ready market for industrial revenue bonds, and investors may seek greater assurance of the security of their investment before they buy.

Enlist  
Support  
and Guidance  
Before Using  
Revenue  
Bonds

The Takeover Entity should obtain several forms of counsel and support before proceeding very far in this approach to raising needed capital.



- a. The advice of bond counsel should be sought. The cost of this specialized professional expertise is justified because qualified specialists can provide essential information on current bond market strength, interest rates, adherence to legal restrictions, and other provisions which may affect marketability.
- b. Local bank officials should be solicited for support of any contemplated issue and asked to arrange for added support from corresponding banks in financial centers.
- c. Guidance should be obtained from the Internal Revenue Service on actions which may be indicated to assure tax-exempt status. Legal counsel should also be retained to assure compliance with the most favorable state legislation under which revenue bonds can be issued (including, in some cases, state government backing with full faith and credit or its "moral obligation" to guarantee payment of interest and redemption).

Financial  
Resources May  
Include State  
Agencies...

In some states, development credit agencies are empowered to provide financial assistance to the developers of industrial land and to prospective tenants. (In Pennsylvania, the PDCC--Pennsylvania Development Credit Corporation--and PIDA--Pennsylvania Industrial Development Authority--can provide full financing packages for buildings and equipment through cooperating banks).

...and the  
Small Business  
Administration

The Small Business Administration administers a number of loan programs designed to help the financing of small businesses through direct and guarantee plans, and a special program for minority entrepreneurs; and for state development companies and local development companies.

Fuller detail and applicability to the needs of the takeover program are provided in the Appendix A section of SBA programs.

#### 4-G. CONCESSIONS AND SUBSIDY

Incentives for  
Tenancy Might  
Include: Tax  
Concessions,  
MDTA Subsidy

In some states and territories, attraction of new industry is enhanced by programs that permit short-term reduction or remission of taxes to compensate for startup costs. Although experience suggests that this type of incentive is rarely a crucial factor in competitive location decisions, it is an approach that may be open to a Takeover Entity and worthy of judicious application. Caution is especially advisable in employing a tax incentive because the objective of creating permanent jobs may be unrealized when a new industry is attracted mainly by the opportunity to exploit tax advantages.

The manpower training subsidy program of the Department of Labor is administered through state employment security agencies by DOL's Manpower Administration under terms of the Comprehensive Employment and Training Act.\* While such programs are also of short term duration, can be significant in helping a new employer meet the potentially high cost of training newly recruited area labor. (Further details on programs of the Department of Labor are presented in Appendix A.)

Special tax reduction incentives and the availability of loan funds at below-market rates may be powerful locational attractions in some cases; but experience of most industrial development organizations has been that a skilled and

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\*P.L. 93-203, effective July 1, 1974.

adequate labor force is the single most important economic factor in location decisions. The availability of well-structured vocational/technical training programs and MDTA-funded subsidies can be an effective prospecting tool for the Takeover Entity.

#### 4-H. SOURCES OF SHORT-TERM EXPERTISE

##### Public and Civic Agencies Sources of Expertise

No matter how large the installation and facilities taken over by the community, the Takeover Entity is unlikely to require full-time staff for many of the professional specialties it may require from time to time.

The individual strengths at the managerial level of the entity will vary as differences in emphasis and need are perceived by its board members. We have noted that the manager could bring to his post a valuable background in industrial realty, engineering or economic development. But other forms of expertise will occasionally be needed:

- o Legal competence to deal with the drafting of leases, adherence to state and federal requirements, lease-purchase agreements and other foreseeable transactions in which the Entity may engage.
- o Engineering services to facilitate development plans -- utilities, building restrictions, soils testing, road and other transportation access -- and to respond to inquiries from potential tenants with specific requirements for their production or operation plans.

- o Financial and accounting services.
- o Marketing and economic research services  
outside the capabilities of fulltime staff  
and officials.

These and other special purpose forms of assistance needed by the Entity can be obtained on a part-time, often no cost basis. Qualified professionals may often be borrowed from the directly concerned county, town or municipalities, or from state agencies.

If special problems confronting a Takeover Entity exceed the ability of the community to meet a need, its officials may seek grants for technical or other assistance grants under one of the programs outlined in Appendix A. Federal grant programs often require local matching contributions in various proportions to federal funds; and these local inputs may generally be in-kind contributions. The time of public employees or the use of public office space or equipment or other facilities can be offered as local matching contributions required by many grant programs.

OEA Offers  
Expertise;  
EDA and Other  
Federal/Agencies  
May Fund  
Consulting

DoD's Office of Economic Adjustment can also respond to the Takeover Entity's needs for specialized expertise, particularly with respect to guidance in the process of acquiring the properties it seeks or arranging interim-use permits of specific facilities.

Consultants are another alternate source of short-term or part-time expertise, and can be retained for planning, engineering, marketing, financial and accounting and other projects whose scope exceeds local capability or Takeover Entity staff capacity. Technical assistance

grants may be obtainable to pay for consulting services. The Office of Technical Assistance of the Economic Development Administration has been a prime potential source for the funding of consultant services. Appendix A outlines grant provisions of most federal agencies with applicable programs.

#### 4-I. MARKETING STRUCTURES AND ACREAGE

Expect Phased  
Marketing of  
Extant Facilities  
First, Then  
Open Acreage

Predictably, the marketing program of a Takeover Entity will function in at least two stages of substantially different durations.

Its principal initial focus is likely to be on the buildings and shops which were designed for military purposes that are directly comparable to civilian reuses. Hangars, machine shops, warehouses, administration office buildings, drydocks and shipyards and other special facilities may be easily convertible to commercial purposes and thus represent the earliest opportunity for private investment and employment. Rapid occupancy of these facilities can also generate cash for further redevelopment on a larger scale and provide taxes for the

The second, and much longer-lasting stage, involves the Takeover Entity in the more complex process of opening previously undeveloped areas of a former military tract by providing good access from arterial highways and an internal road network; bringing power and water to marketable sites; and preparing and financing a marketing plan designed to attract the industries whose raw material, labor force, transportation and marketing, and space needs can be served better by location on the developable tracts of the installation.



At Any Stage,  
Word-of-Mouth  
Promotion is  
Key Medium

Although this sequence of development efforts is logical, the stages are not necessarily consecutive. In most instances, the community effort which begins with the DoD closure announcement will trigger an essentially unstructured -- but potentially successful -- volunteer effort by individuals to promote industry interest in bringing plants and jobs to the installation that is being phased out. This community spirited effort -- by important local industrialists aimed at key suppliers, by other members of the business community aimed at personal and business acquaintances -- has been more effective and far less expensive than paid advertising in trade and general media.

The marketing considerations presented below address the entity's needs at both stages of its effort, with emphasis on startup operations.

#### 4-I(1) Promoting Location and Facilities

The factors which influence location decisions by industrial employers have been researched extensively. While they vary in specific details from one type of industry to another, the location factors which most influence decisions have been consistent in most surveys of industrial development officials and industry executives.

Assemble  
Investor-  
Oriented Data

In order of importance, the factors are labor and wages; location with respect to markets; availability, size and cost of sites; public attitudes and policies; fuel and utilities; taxes; and development costs and finance.

Promotion of the Takeover Entity's properties should start with development of the pertinent data which will answer the questions of most prospects. In addition to the non-economic facts about the community which can also have major impact on location decisions -- cultural and recreational facilities, the size of the community and its appearance, availability of rental and purchase housing, health and educational facilities -- a basic factual presentation should be assembled from private and public sources\* covering:

Checklist  
of Data

- Availability of labor
- Plant sites and buildings
- Proximities to markets
- Labor quality
- Highway and road accesses
- Adequacy and type of land transport
- Community acceptance of industry
- Water supply and quality
- Expansion possibilities
- Current wage rates in key occupations
- State and local business climate
- Costs of plant sites
- Financing arrangements available
- State and local taxes
- Sewage disposal capability
- Construction costs and capability
- Proximity of air transport
- Zoning regulations
- Labor legislation
- Availability and type of rail transport
- Electric power rates and capacity
- Natural gas and fuel oil availability
- Raw materials of region

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\* Pertinent data may be available from those collected by the conversion committee during the first months following announcement of disposal. See Section 1-F of the manual.

Types of local industry  
Unionization in area  
Influence of industry in area  
Availability of commercial services  
Municipal protection services  
Pollution regulations  
Public transportation for employees  
Climate

This checklist can be adapted, amplified and made specific for entity properties from data usually available from local Chambers of Commerce, utility and transportation companies. It is a package of facts which can be published separately or as part of a brochure presenting opportunities for location at the acquired installation.

Recommended:  
A Basic Market-  
ing Brochure  
for the Early  
Marketing  
Effort

Whether by personal solicitation of interest or in response to press coverage of the surplusing process, the Takeover Entity -- and its less formal conversion committee founders -- can expect to receive inquiries about such opportunities. Although responses should be tailored to meet the stated requirements of such inquiries, an informative brochure on facilities, sites, specifications and similar data has been found to be a useful tool in early marketing efforts.

If the brochure provides little more than aerial photographs of the development area and pictures of key available facilities with details of dimensions, structural characteristics and similar data, it is an essential backup for marketing efforts which address specific questions.

The observations and recommendations of this manual are based on first-hand research at former defense installations, printed reports, and our experience in installation closure and realignment situations.

They can supplement, but cannot displace the detailed understanding of the situation of a specific Takeover Entity and the properties it has acquired. The design of a marketing strategy should be heavily influenced by the person who is charged with implementation.

Whether the Takeover Entity hires a manager who also serves as director of its marketing effort or hires someone to perform that function -- the promotional/marketing policy and program should reflect the strategy developed by the marketing director.

Choice of  
Marketer  
May Be Key  
Decision in  
Development

The marketing of industrial and commercial property has become a function requiring specialized background and expertise. Its practice is the focus of a growing trade press and reportage, and its techniques are developed and followed by public officials of states, cities and regions; utilities; transportation companies; and various federal agencies. In addition, private developers in many areas deal solely in this type of property rather than residential or other real property.

Selection of a manager with strong qualifications in the specialized marketing field, or a marketing director whose experience is largely in the marketing and development of industrial and commercial buildings and acreage, may be the single most important decision made by the board of the Takeover Entity during its initial phases of operation.

## A P P E N D I X A

### PROGRAMS OF FEDERAL AGENCIES RELEVANT TO COMMUNITIES IMPACTED BY DEFENSE INSTALLATION CLOSURES AND REALIGNMENTS

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# CATALOG OF FEDERAL DOMESTIC ASSISTANCE

## Listing of Programs, by Department/Agency

Department/ Agency	Name of Program	Catalog No.
Department of Defense (DoD)	Community Economic Adjustment	12.600
General Services Administration (GSA)	Disposal of Federal Surplus Real Property	39.002
	Donation of Federal Surplus Personal Property	39.003
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	Federal Information Center	39.008
Economic Development Administration Department of Commerce (EDA)	Technical Assistance	11.303
	Public Works Impact Projects	11.304
	Planning Assistance, Development District Programs, Redevelopment Area Programs	11.302
	Loans for Business and Development Companies	11.301
	Grants and Loans for Public Works and Development Facilities	11.300
Department of of Health, Education and Welfare (HEW)	<u>o Office of Public Health</u> Health Facilities Construction: Grants	13.220
	Mental Health/Community Health Centers	13.240
	Health Facilities Construction: Loans and Loan Guarantees	13.253
	Health Facilities Construction: Technical Assistance	13.223

Department/ Agency	Name of Program	Catalog No.
Department of Health, Education and Welfare (HEW)	<u>o Office of Education</u>	
	Construction of Public Libraries	13.408
	Library Services--Grants for Public Libraries	13.464
	School Assistance in Federally- Affected Areas:	
	For Construction	13.477
	Surplus Property Utilization (Federal Property Donation Program)	13.606
Department of Housing and Urban Development (HUD)	Land Development and New Communities (Mortgage Insurance)	14.125
	Community Planning and Development (Comprehensive Planning Assistance)	14.203
	Community Planning and Development-- New Communities (Loans and Loan Guarantees)	14.207
	Surplus Land for Community Development	14.211
	HUD Clearinghouse Service--Technical Assistance and Information Service (Governmental Management)	14.216
	General Research and Technology Activity	14.506
	Programs for Disposal of Surplus Federal Real Property (HUD Activity Included in General Authorization, GSA Program)	39.002

Department/ Agency	Name of Program	Catalog No.
Department of the Interior (DOI)	<u>o Bureau of Outdoor Recreation:</u>	
	Acquisition and Development (Land and Water Conservation Fund Grants)	15.400
	State Planning and Financial Assistance	15.401
	Technical Assistance	15.402
	<u>o Bureau of Reclamation:</u>	
	Small Recreation Projects (Small Project Loans)	15.503
	<u>o Geological Survey:</u>	
	Water Resources Investigation	15.804
	<u>o National Park Service:</u>	
	Park and Recreation Technical Assistance	15.906
	Park Practice Program	15.907
U.S. Employment Service, Department Labor (USES)	Activities Relevant to Communities Impacted by Cutbacks in Military Facilities	17.207
Small Business Administration (SBA)	Loans to Defense-Impacted Businesses	---
	Lease Guarantee Programs for Small Business	59.004
	Displaced Business Loans	59.001
	Economic Opportunity Loans	59.003
	State and Local Development Company Loans	59.013

Department/ Agency	Name of Program	Catalog No.
Small Business Administration (SBA) --Continued	Small Business Loans (Pool Loans) --Section 7(A) Loans	59.012
	Management Assistance to Small Businesses	59.005
Department of Transportation (DOT)	o <u>Federal Aviation Administration (FAA) :</u>	
	Airport Development Aid Program	20.102
	Airport Planning Grant Program	20.103
	o <u>Joint Use Under AFR 55-20</u>	----
	o <u>Federal Highway Administration</u>	
	Highway Research, Planning and Construction	20.205
	Public Lands Highways	20.209

## INTRODUCTION: HOW TO USE THIS APPENDIX EFFECTIVELY

A good grasp of what Federal and state agencies can do to help community forces convert former defense installations to civilian use is a useful tool for leaders of the reuse effort. This appendix, based on the most recent (November 1973) edition of the "Catalog of Federal Domestic Assistance" presents in general and simplified terms the outlines of programs which may be applicable to community needs in specific terms. They deal with:

1. Financial Assistance--Either outright grants or loans at preferential rates of interest, with amortization scheduled over a long period of time.
2. Technical Assistance as required by the situation. This comes in a variety of forms or packages and involves the use of all of the several knowledge-transfer techniques, including:
  - (A) Information through a variety of non-personal media, primarily publications and visual materials and services to transfer scientific, technical, professional or managerial concepts, knowhow, and specific practices useful for the local situation;
  - (B) Provision of expertise through direct services in specialized areas of human endeavor--through study, research and observation, with subsequent action recommendations; and medium and long-term administration and program operation responsibilities, to make sure that project elements are shaping successfully;
  - (C) Training of those involved in actual new endeavors in the local developmental program, to assure that their efforts are grounded solidly on the best available past experience and technique. Such training may be long-term or short-term; ad hoc or formalized;



on-the-spot or in other localities; and either high-level professional/generalized knowledge or very specific occupational techniques and skills.

Officials of community endeavors involving conversion should be cognizant of federal programs that provide a variety of services which may be of help to them; and that there are a number of programs which provide federal assistance specifically designed to help communities impacted by curtailments of military activities. The government activities outlined in the sections below are, in general, categorized as to whether they are "regular programs" or activities designed specifically for assistance to impacted communities, including but not limited to reuse of federal surplus real and personal property.

In referring to the array of Federal Government establishment activities as spelled out here, it is also important to note that those listed are only the relatively few programs deemed to be of special significance to the individuals and organizations dealing with conversion. Other Federal Government activities which could be of direct or indirect benefit may not be cited here.

Full detail on the programs and projects cited, as well as others not spelled out, are available from the local and/or regional offices of the particular government agencies. Summaries are also available in the publication "Catalog of Federal Domestic Assistance", for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (Note: This "Catalog" is up-dated roughly twice a year, to keep information current.)

A general caveat is pertinent here: funding for any and all of the activities outlined herein is provided by the congress on an annual basis, except for a few unusual circumstances. Therefore, the presentations below have deliberately not cited levels of funding available to support specific projects. Those seeking support service cited should explore in detail with the local or regional office of the relevant federal government agency the availability of current fiscal year funding.

The "Catalog of Federal Domestic Assistance" presents a complete current list of names and addresses of federal agency regional and local offices. Alternatively, contact with any one of the several local offices can provide an opportunity to consult that entity's copy of the "Catalog", to check on the local addresses and phone numbers of the offices of federal agencies of most direct interest to the individual.

The inquirer should ascertain that the edition at hand is the latest available. As of this writing, the edition of November 1973 is most current; and the cited directory appears as Appendix IV of the catalog--pages AA-1-72, inclusive.

Appendix V of the catalog provides a compendium of commonly used abbreviations and acronyms (abbreviation letters arranged so that they are formed into a word, such as JOBS or VISTA).

DEPARTMENT OF DEFENSE

Office of the Assistant Secretary  
Installations and Logistics (OAS/I&L)  
Office of Economic Adjustment (OEA)

COMMUNITY  
ECONOMIC  
ADJUSTMENT

CATALOG: 12.600

The Community Economic Adjustment Program, administered by OEA, was established to assist communities impacted by DoD actions. Its actions encompass the closure and realignment of military bases and installations of all types operated by any of the armed forces; contract cancellations; personnel cutbacks; and comparable decisions with potentially adverse economic consequences for local communities.

OEA's mission is to focus and coordinate the efforts of federal departments and agencies in the task of resolving conflicting elements of reuse plans and to respond to communities' requests for such assistance. It is also OEA's function to channel reuse opportunities to the impacted community and to facilitate inter-communication concerning the conversion effort among interests at federal, state and local levels, and to enhance contributions toward sound reuse by the private sector.

Authorization

DoD Directive 5410.12, "Policies and Procedures for Minimizing Economic Impact on Communities Resulting from Adjustments in Defense Programs", October 20, 1961 (being revised in 1973).  
Presidential memorandum of March 4, 1970, to Secretaries of Defense, Interior, Agriculture, Commerce, Labor, Housing and Urban Development, Transportation, Administrator of General Service Administration and Chairman of the Council of Economic Advisors, establishing the Inter-Agency Economic Adjustment Committee.

## How it Works

Specialized services, advisory assistance and counsel are provided to local authorities by OEA/DoD and by other agencies of the Federal Government. Assistance ranges from advice and technical analyses to coordinated application of appropriate federal programs involving grants and loans, technical information, counseling and training. The resources of appropriate federal, state and local agencies and the private sector are mobilized through the Economic Adjustment Committee, chaired by the Secretary of Defense.

A fundamental element of the program is the transfer, under established procedures, of surplus federal real and personal property to community entities, accompanied by guidance in the conversion of such resources to productive civilian use. The program also includes the provision of direct technical assistance to the impacted communities in developing a sound economic growth strategy and plan; and in the organization, planning, structuring and management of feasible economic development projects and sub-projects.

Customarily, the Department of Defense notifies --in advance of the planned cutback action--the Congress of the United States; the state in which the facility is located; and the local communities which have serviced the facility.

Eligible state and political subdivisions, other public organizations, and responsible impacted-community leadership groups apply for direct assistance by letter to the Secretary of Defense in Washington. (Such requests should contain a report from the area labor market office detailing the extent and gravity of the defense impact.) Normally, also, a request from a political subdivision will either have the stamp of approval of the state government, or will be transmitted through the state.

The applications may be relatively limited or extremely broad. They may involve only requests for technical advice--or may propose heavy engagement of technical assistance, financial aid through grants and loans from various agencies of the Federal Government and appropriate state agencies. In most instances, the affected community leadership will propose the transfer of title to them of significant parts or all of the real and personal properties at the affected military installation.

In almost all instances, the local community, as part of its support from the Federal Government, can and will call for and receive assistance on a contractual basis from professional consultants to serve as their technical staff in developing the highest and best uses of the affected military installation in a civilian context, and in shaping a specific and detailed plan including a sound organizational structure, time sequence for action, and an appropriate array of identifiable sub-entities, programs and projects involved in the economic adjustment process.

The Department of Defense may report a pre-established plan of disposal for the property, which may or may not involve some retention of segments of the whole by the Federal Government--either the DoD or other federal agencies. The state and the impacted community have both the right and the responsibility to counter the department's proposals with their own modifications, based on the planning and analyses which have been made.

The actual transfer of both the real and personal property in place in the facility are determined through an established procedure which involves responsibility on the part of the General Services Administration in contacting other federal entities and advertising to the general public.



Final decisions related to alternative proposed uses of surplus real property are made by GSA in behalf of the Federal Government, while decisions on surplus personal property are made by the Department of Defense. In either case, however, the voice of the local community can be--and usually is--a major element in the decision process, especially where the community proposals carry with them clear indication of effective use of real estate, and an economic adjustment process which assures maximized continuing employment, income and growth. The proposals should contain provisions for any requisite retraining and/or sharpening of vocational, technical and professional skills in the human resources of the community.

Generally, assistance will continue until the community economic adjustment is accomplished.

Information and  
Contacts

"Opportunities for a Community in Economic Distress", Office of Economic Adjustment, DoD

"Disposal of Surplus Real Property", General Services Administration

Contact should be with the Director, Economic Adjustment, Office of the Assistant Secretary of Defense (Installations and Logistics), Pentagon, Washington, D.C. 20301

## GENERAL SERVICES ADMINISTRATION

GSA is charged with the conduct of key activities and programs in the process of disposing of excessed and surplus DoD installations and all other federal properties deemed to be excess to federal needs. The programs described here are of most specific relevance to the communities and their organized efforts to effect favorable reuse of former military property.

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DISPOSAL OF  
SURPLUS REAL  
PROPERTY  
  
CATALOG 39.002

The legislation for this program spells out in detail the procedures by which surplus federal property is disposed of and the responsibilities of the federal agencies which may be involved in the process.

Authorization

Federal Property and Administrative Services Act of 1949, as amended, Section 203; Public Law 81-152; 63 Stat. 385 as amended; 40 USC 484; Surplus Property Act of 1944, as amended, Sections 13(G) and (H), Public Law 80-537; 62 Stat. 240; 50 USC App. 1622 (G) and (H); 62 Stat. 240; 16 USC 677 B-D; Public Law 91-152, Sec. 414; 83 Stat. 400 as amended; Public Law 91-646, Section 218; 84 Stat. 1902; 42 USC 4638.

How it Works

The legislation and subsequent regulations provide for the disposal of surplus federal real property through exchange, sale or donation. Under standard procedures, once the Department of Defense has declared specific federally owned real property surplus, responsibility

for its disposal is transferred to GSA, which functions as the action point and clearance mechanism for the interests of other government agencies, state or local public groups, and the private sector. The legislation sets detailed and very specific limitations on the approaches to sale and uses of the surplus real property, and specifies on what terms and for what uses land may be sold, donated or exchanged. In the table which follows, the purposes and limitations of terms specified are listed with the names of the federal departments and agencies with which disposal of the various uses must be coordinated, and the cost terms which will be entailed.

Reuse Purpose	Terms of Acquisition	Disposition Coordinated With
Wildlife Conservation	No cost	Fish and Wildlife Service, DOI
Public Park or Recreation Use	Discount up to 100%	Bureau of Outdoor Recreation, DOI
Historic Monument	No cost	
Public Health	Discount up to 100%	Department of HEW
Education		
Public Airport	No cost	Federal Aviation Administration
Sale for General Public Purposes, without restriction, including land for industrial and commercial development	Fair Market Value	DoD
Base housing for individuals and families of low and moderate income	Fair Market Value	HUD

Federal law places specific restrictions which accompany conveyance for the purposes outlined.

1- Use specified must be committed in perpetuity:

Public Park or Recreation  
Wildlife Conservation  
Historic Monument  
Public Airport

2- Use specified must be committed for a minimum of 30 years:

Public Health  
Education

3- Use specified must be committed for a minimum of 40 years:

Low/Moderate Income Housing and  
related facilities conveyed to  
other than a public body

After determination of surplus by the DoD, GSA follows prescribed procedures to inform the Congress, federal agencies, state and local government and community interests, and invites applications for acquisition and reuse.

Prior to submission of formal requests for acquisition, applicants consult with the indicated federal agencies for advice of required procedural actions. Applications for health and education use are submitted to HEW, which may then ask GSA to thus assign the property. Applications for park and recreation use go to the DOI's Bureau of Outdoor Recreation, which requests favorable GSA action.

Interest in acquiring surplus property for housing and related facilities should be addressed to the Director, Office of New Communities Development, Department of Housing and Urban Development. All other-use applications are submitted directly to GSA, which then obtains the recommendations of other relevant federal agencies.

There are statutory deadlines for submission of applications and reasonable periods are allowed for consideration of applications. (In instances involving conversion to civilian uses of surplus former military facilities, the normal timespan for consideration is usually shortened.)

Following a study of the applications, decisions are made, awards are announced, and action on approved uses gets under way. In general terms, individuals as well as state or local entities involved in shaping such uses can and do draw upon appropriate offices and departments of the Federal Government for technical assistance, expertise, and loans and/or grants.

Contact	Regional or local office: Regional Commissioner, Property Management and Disposal Service, General Services Administration. (All initial contacts should be at the regional level.) Office of Real Property, Headquarters Office: Assistant Commissioner, Property Management and Disposal Service, General Services Administration, Washington, D.C. 20405.
Relevant Literature	"Disposal of Surplus Real Property", available from GSA at no charge; and "Utilization and Disposal of Real Property", 41 CFR 101-47. GPO or GSA.

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DONATION OF  
FEDERAL SURPLUS  
PERSONAL  
PROPERTY PROGRAM

CATALOG 39.003

Authorization	The Federal Property and Administrative Services Act of 1949, as amended; Public Law 81-152; 63 Stat. 385; 40 USC 484; Surplus Property Act of 1944, as amended; 50 USC, App. 1622(G).
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## How it Works

The legislation authorizes GSA to execute the sale, exchange or donation of federal personal property and goods declared surplus, for specified end-uses relating to education, public health, civil defense and public airports. Typical items provided under this program are: office machines and supplies, furniture, hardware, textiles, special-purpose motor vehicles, boats, aircraft and construction equipment. (Items not donated are made available for sale to the general public.)

Eligible applicants under the legislation and administrative interpretations include: public airports whose eligibility is determined by the Federal Aviation Administration; civil defense organizations, whose eligibility is determined by the state civil defense director and the Defense Civil Preparedness Agency; tax-supported and tax-exempt schools, colleges, universities and public libraries; educational radio or TV stations, medical institutions, hospitals, health centers and clinics; and certain service educational activities.

## Contacts

In general, organizations should establish eligibility through contact with the appropriate state, local and/or federal agencies. As the government declares new groups of items to be surplus, and advertises their availability, representatives of the eligible entities contact the appropriate agency with requests citing specific items or classes of items. Usual practice is for eligible entities to maintain regular contact with the appropriate request-channeling entities. The appropriate contact entities include: 1) donees for educational, public health and civil defense purposes coordinate with state agency for surplus property; and 2) public airports coordinate with the Regional Airports District Office of the Federal Aviation Administration.

Relevant  
Literature

"Donation of Federal Surplus Personal Property," pamphlet available at no charge from GSA; and 41 CFR 101-44, "Donation of Personal Property," available from Superintendent of Documents, GPO, Washington, D.C. 20402, no charge.

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SALE OF FEDERAL  
SURPLUS PERSONAL  
PROPERTY

CATALOG 39.007

This is an established and relatively-well-known program, which may be of some relevance to conversion of former federal military installations to civilian uses. The program involves the sale, exchange or donation of goods declared surplus to the needs of the Federal Government.

Authorization

Federal Property and Administrative Services Act of 1949, as amended; and Public Law 80-152.

How it Works

The General Services Administration is authorized to sell property no longer needed by the government, in an economical and efficient manner. GSA handles surplused properties from most of the civilian agencies; but the Department of Defense handles the sale of its own surplus personal property.

Individuals, business concerns and other organizations have the opportunity to enter competitive bids for purchase of a wide variety of personal property when advertised for sale. Many items are included, such as automotive and other vehicles; aircraft; hardware; plumbing and heating equipment; paper products; office machinery and supplies; and scrap items. (Note, however, that states and local governments may purchase such property by negotiation before it is advertised for public sale. This is a provision of significant interest to local community efforts dealing with conversion of former military installations.)

There are no restrictions on who may bid for sale in the competitive process. Interested individuals may have their names placed on mailing lists which GSA's regional offices maintain, so that they may be notified automatically when desired

types of property are declared available for sale. Similarly, states and local government entities desiring advance purchase by negotiation should contact the GSA regional office nearest them, for a continuing advisory.

The successful bidder is notified by the appropriate GSA entity.

Contact

GSA regional or local offices: Property Management and Disposal Service (for civilian agency goods); or Defense Logistics Services Center, Federal Center Building, Battle Creek, Michigan (for military items).

Relevant  
Guidelines

Pamphlets, "Sale of Government Personal Property", "How State and Local Governments may Purchase Surplus Personal Property from the Federal Government", available at no charge from the General Services Administration.

Also from GSA: 41 CFR 101-45, "Sale, Abandonment, or Destruction of Personal Property".

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FEDERAL  
INFORMATION  
CENTER:

CATALOG 39.008

This is a service of potential interest to those working on the problems of impacted communities. It provides a single point, in each major metropolitan area, for technical information and answers to questions from the public about federal agencies, their activities and their programs, and for accurate referral to the Federal Government entity which can best assist the inquirer.

Authorization

Presidential memorandum to heads of executive departments (10/27/69).

How it Works

Information as to what the Federal Government is equipped to do to help and specific guidance as to the proper federal unit to contact can be obtained from the nearest GSA Federal Information Center by telephone or by personal visit.

Since handout literature is supplied to these centers by the various agencies, and catalogs/directories on the federal establishment are available for ready reference, the Information Center can usually be of immediate and direct service. Many explanatory items are provided without charge. Help can be provided on the purchase of cost items. Note: Guidance as to the proper Federal Government entity to contact is an especially valuable service.

ECONOMIC DEVELOPMENT ADMINISTRATION  
(DEPARTMENT OF COMMERCE)

Five EDA programs are of potential direct relevance to planning and carrying out programs for economic adjustment and development in localities impacted by military facility closings or cutbacks. Two provide grants and loans to communities for development of public works and development facilities construction. One program involves loans for private businesses and local development companies for industrial development. One program authorizes various forms of technical assistance grants to municipal or county governments, private non-profit groups, etc., in economically-depressed or impacted areas and/or communities. (Assistance can also be given to private firms, but on a reimbursable basis.) A fifth program authorizes the EDA to provide planning assistance to state or local leaders in developing multi-county development or redevelopment area or district programs.

While these programs cover many situations other than base closures, they are often directly applicable and relevant for such situations.

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ECONOMIC  
DEVELOPMENT:  
TECHNICAL  
ASSISTANCE  
  
CATALOG 11.303

This is a significant program of the Economic Development Administration, designed to stimulate and facilitate sound economic growth in communities and areas of established need, through feasibility studies, management and operational expertise, demonstration project grants, other appropriate testing/demonstration studies, and administrative advice/guidance.



## Authorization

Public Works and Economic Development Act of 1965; P.L. 89-136 as amended by P.L. 90-103, 91-123, 91-304; 92-65; and 93-46; and 42 USC 3131, 3135, 3141, 3161, 3151(A), 3152, 3171.

## How it Works

Program involves both project grants and contracts to provide counsel, advice and technical/managerial/administrative assistance for economic development projects. Also authorized is an on-going program for the development and dissemination of relevant technical information.

In general, assistance under the program is limited to economically-distressed or impacted urban or other areas of the country, where input of outside expertise is essential to complement local initiative and know-how, and to assure effective action to overcome local economic problems.

Technical assistance may be in the form of services provided under EDA contract; by direct EDA grants to the community or developmental organization; or through other means, including relevant publications and audio-visual knowledge-transfer media.

In general, technical assistance is used to provide information, data and know-how in evaluating and/or shaping specific projects and programs related to economic development. While there are no specific applicant eligibility requirements, most technical assistance is provided to private non-profit groups and to local government agencies located in economically depressed areas. Counties, towns and municipalities confronted with a defense installation closure or realignment usually qualify for technical assistance grants.

Initiation of assistance is through pre-planning, identification of needs for outside support, and an application channeled through the EDA regional office serving the state in question. (There are standard forms and formats for applying for assistance; and requests are reviewed under procedures similar to those outlined for other EDA programs.)

In general, awards are made by the Assistant Secretary for Economic Development, Department of Commerce, and notification of grant award is transmitted through the designated state central information reception agency and the Department of Treasury.

A guideline for this legislation spells out the requirement that technical assistance must be related to near-term job and income-creation. Also, for grants (as opposed to essentially non-cost technical aid), the grantee must put up 25% or more of the estimated total cost of the project, which may be in-kind.

Approval/disapproval of an individual request for assistance may be expected in 3 months or less (sometimes within one month).

#### Contact

Initial contact should always be at regional office level. The headquarters office is: Director, Office of Technical Assistance, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230.

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#### ECONOMIC DEVELOPMENT-PUBLIC WORKS IMPACT PROJECTS

This program authorizes EDA support for public works projects which provide immediate useful work to unemployed and under-employed persons in designated project areas.

CATALOG 11.304

#### Authorization

Essentially the same as that cited for program immediately above.

## How it Works

This legislation authorizes project grants to eligible entities for the construction of public facilities to provide immediate jobs to the unemployed and under-employed in the project area. (Eligible applicants include states and their local subdivisions; Indian tribes; and private or public non-profit organizations representing a redevelopment area or economic development center. For-profit entities are not eligible.)

This program, unlike that immediately preceding, is authorized primarily for the creation of employment opportunities; and secondarily for broader economic impact on the community.

A description of the proposed public facility must be presented, with a projection of estimated costs, the estimated time for construction and implementation, and the direct job impact. The proposal must include assurance that the project will satisfy statutory requirements; and must demonstrate conclusively that the project will have a positive impact on the economic development of the community. A state plan, coordinated with the governor's office, is required.

Upon request, EDA representatives will meet with the applicant and community leaders to review a project and establish a basis for further action (pre-application conference, application, etc.) along lines similar to those outlined for the program immediately above. Grant awards and the awards procedure follow similar lines, also.

The basic grant for special impact areas is 80% federal money, except for Indian areas, where the rate can be 100%. Local matching share may be waived if the appropriate government entity can demonstrate that it has exhausted its effective taxing and borrowing capacity.

Contacts Identical to above.

Information, Also as above.  
Guidelines, etc.

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ECONOMIC  
DEVELOPMENT -  
PLANNING  
ASSISTANCE  
(DEVELOPMENT  
DISTRICT PROGRAM:  
REDEVELOPMENT AREA  
PROGRAM)

The objective of this program is to further economic development on a multi-county district (or redevelopment area) basis, through improvement of planning capability assuring effective use of resources aimed at creation of permanent, full-time jobs for the unemployed and under-employed.

CATALOG 11.302

Authorization

Public Works and Economic Development Act of 1965; Public Law 89-136, as amended by Public Laws 90-103, 91-123, 91-304, 92-65, and 93-46; 42 USC 3151(B), 3152.

How it Works

The legislation authorizes EDA to make project grants to fund the costs of sound planning activity, including staff salaries and other administrative expenses of approved economic development organizations. Eligible applicants include 1) areas designated as redevelopment areas or those determined by the Secretary of Commerce to have substantial need for planning assistance (for example, communities impacted by military cutbacks and civilian unemployment). An approved applicant must be clearly established as a development organization broadly representative of social, economic and political groups in the area.

Local development organizations, state and/or county development entities, and/or other entities involved in economic development programs involving an Economic Development District (multi-county) identifies both an opportunity and a need for outside assistance in shaping a sound plan for accelerated economic growth in

the district. Applicants should contact state development commissions and appropriate local or regional EDA offices, to review informally their initial thinking and to elicit formal planning support.

Assuming informal pre-application efforts are promising, the applicant prepares and submits a formal application for assistance (Form ED-301, Application for Title III Planning and Administrative Grants-In-Aid). The application is submitted, through an Economic Development Representative (EDR), to EDA's regional office.

Approval is by the Assistant Secretary of Commerce for Economic Development or by the appropriate EDA regional director. Notification of grant award is sent to the designated state central information reception agency, as well as to the Department of the Treasury.

In general, a minimum of 25% of the total planning-assistance project cost must be from non-federal sources (except grants to Indian tribes); input may be in cash or in-kind.

In general, EDA favors appropriate planning on a clearly-established multi-county development or redevelopment district program to avoid fragmentation of developmental endeavors, and to assure cooperative efforts toward significantly-sized local markets for industrial output.

#### Contact

EDA regional or local office; or (if necessary) The Director, Office of Development Organizations, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230.

#### Guideline Publications

Handbook for Economic Development District Organization; EDA Economic Development Districts, A Job-Creating Program; EDA Planning Grants for Economic Development; The Economic Development District Program; Financial Management of EDA Planning Assistance Grants.



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ECONOMIC  
DEVELOPMENT  
LOANS FOR  
BUSINESS AND  
DEVELOPMENT  
COMPANIES

CATALOG 11.301

This is one of the primary programs through which EDA stimulates the development of small business enterprise in local communities through the provision of low-interest, long-term loans to help businesses expand or to establish new plants in redevelopment and impacted areas, for projects which cannot be financed through commercial banks or other private lending institutions.

Authorization

Identical with that outlined for all EDA projects above.

How it Works

Any individual, private or public corporation, or Indian tribe is eligible to apply for a loan provided the project to be covered by funding is physically situated in an area designated under the act as eligible at the time of application. However, no business development loans nor working capital loans are extended to an applicant who, (a) within the previous 3 years, has relocated all or part of its existing facilities to another city or state; or (b) contemplates relocating elsewhere, with a resultant loss of employment at its facility in the community of reference; or (c) produces a service or an item for which there is a prolonged and sustained excess of supply over demand in the market.

In general, for eligible projects or activities, there is no established limit to the dollar volume of federal participation, but any project where such support would exceed \$1,000,000 must be supported by an independent feasibility study conducted by a consultant firm acceptable to the EDA. Also, in general, federal funding will cover not over 65 percent of the fixed asset costs of a project. A local development corporation or state agency usually participates to the extent of 5%. Of the remaining 30%, 10% minimum must be applicant's own equity. The balance may come from a commercial lender. (Applicants are encouraged to increase their equity participation beyond the minimum.)

EDA funds will be disbursed only after all other funds have been injected in the project. Maximum amortization period for such loans is 25 years. For working capital guarantees, EDA support time coincides with the life of the bank loan.

As a first step, any group or individual interested in setting up a new business venture with EDA loan support must first develop and submit sound financial, engineering and feasibility documentation. It must outline clearly the viability of the project and the contribution which it would make to the community. (As noted above, for large projects, this step requires the services of an independent, qualified consultant.)

Following development of the requisite supporting documents, the applicant is expected to contact the EDA regional office serving the state in which the project is to be located. After preliminary review by a locally-based Economic Development Representative (EDR), and with his concurrence, a pre-application conference is scheduled with the professional staff of the regional office.

During such conferences, the project is reviewed in requisite depth, and a go/no go decision is made as to formal submission of the project for EDA approval. Assuming a "go", the applicant is provided necessary forms and detailed information/technical guidance on their preparation in sound format, with essential supporting documentation. The application is ultimately submitted to--and approved or disapproved by--the Assistant Secretary for Economic Development, U.S. Department of Commerce. If the submission and supporting documentation is in good order, a decision is made within 3 to 4 months of receipt.

#### Contact

As the projects above: Local or regional EDA office; and/or headquarters-- Office of Business Development, EDA.

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ECONOMIC  
DEVELOPMENT  
GRANTS AND  
LOANS FOR  
PUBLIC WORKS  
AND DEVELOPMENT  
FACILITIES

This is a program to assist in the construction of public facilities necessary for stimulating and supporting long-term economic growth in areas where the growth rate is lagging behind the rest of the nation.

CATALOG 11.300

Authorization

Essentially the same as that cited for program immediately above.

How it Works

States, local subdivisions thereof, Indian tribes, and private or public non-profit organizations or associations representing a redevelopment area or a designated economic development center can apply for and receive grants or loans. For-profit entities are not eligible.

The program provides federal grant support for public facilities such as water and sewer systems; access roads to industrial parks or areas; port facilities; railroad sidings and spurs; flood control projects; site improvement for industrial parks; vocational schools; and public tourism facilities. To qualify, projects must fulfill a pressing need of the area; and must also (1) tend to improve the opportunities for the successful establishment or expansion of industrial or commercial facilities; (2) assist in creating additional long-term employment opportunities; or (3) benefit the long-term unemployed, those of low income, and otherwise further the objectives of the Economic Opportunity Act of 1964. Proposed projects must be consistent with an approved Overall Economic Development Program (OEDP) for the area and for an Economic Development District (if any).

EDA representatives meet with officials of an applicant and other pertinent community leaders, upon request, to establish the basis for preliminary discussions and review of a proposal, prior to official pre-application conferences.

The local EDA representative then exposes the project presented to the appropriate EDA regional office; and either a) contacts the applicant to set up a formal pre-application conference, or b) advise that the EDA cannot consider the proposal.

Extensive discussions are subsequently carried out for a full review of the proposed activity on its merits. EDA personnel work with local leaders to assure full, effective and objective development and presentation of the proposal. (There are standard forms on which the project must be described and submitted.) EDA local representatives (EDRs) assist local community leaders in preparing the requisite forms in proper fashion. An environmental impact statement is one of the necessary items.

After completion of the forms, applicant contacts the regional office servicing the state in which the community is located. The project is reviewed under standard procedures by the Assistant Secretary for Economic Development, U.S. Department of Commerce, and by designated members of his staff, and a decision is made.

Notification of grant award is made through a state central information reception agency and the Department of the Treasury. Approval/disapproval of a project is normally within 90 days of formal application.

For grants, the basic rate is based on a formula involving federal support of 50% of the project cost. For severely depressed areas that cannot match federal funding, supplementary grants are sometimes approved to bring the federal contribution up to 80% of the project cost. (For some Indian reservations, federal input may be 100% of cost.)

Redevelopment areas located within designated economic development districts (multi-county) may be eligible for a 10% bonus on grants for

public works projects, up to the 80% maximum of federal input.

Complementing the grant program, long-term (up to 40 years) low-interest loans may be made to the applicant when financial assistance is not otherwise available from either private lenders or federal agencies on terms compatible with accomplishment of the project.

#### Contact

Primary contact should be with the EDA regional or local office. Headquarters office for this program is: Director, Office of Public Works, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230.

#### Guideline/ Reference Publications

"Building Communities with Jobs"; "Grants and Loans for Public Works and Development Facilities"; "Areas Eligible for Financial Assistance"; "Guides for Overall Economic Development Programs"; all from the Economic Development Administration, local, regional or national office.



There are a sizeable number of programs and activities of the HEW Department of immediate or possible future benefit to communities impacted by military deactivations. In this summary, however, only those of apparently most direct or particular benefit are outlined. Full details on these and other HEW programs are available from the appropriate local or regional offices, or from Washington, D.C.

The following are regular HEW programs of perhaps the most significance to those dealing with civilian reuse of surplus federal military facilities.

FOUR PROGRAMS OF THE OFFICE OF PUBLIC HEALTH

The first three are related programs authorizing construction/rehabilitation of facilities for physical and mental health facilities for the benefit of local communities. One is a grant program for health facilities; one a loan and loan guarantee program for health facilities; and the third a grant program for developing or improving community mental health centers. All three are elements in the Hill-Burton legislation for "Building and Modernizing Community Health Facilities". (42 CFR, Part 53).

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HEALTH  
FACILITIES  
CONSTRUCTION  
--GRANTS

CATALOG 13.220

The program is designed to assist states in planning for and providing hospitals, public health centers, state health laboratories, out-patient facilities, emergency rooms, neighborhood health centers, long-term care facilities, etc., including expansion or remodeling of existing facilities or buildings and equipment necessary for a construction project or for the provision of a new service in a community.

Authorization

Public Health Service Act, Title VI, Public Law 88-443, as amended by Public Law 91-296; 42 USC 291.

## How it Works

State and local governments, hospital districts or authorities, and private non-profit organizations may review their problems and needs with the appropriate units of HEW state and regional offices and make application in context of an approved state plan endorsed by the health care facilities (Hill-Burton) staff in the HEW regional office.

Upon approval by the Regional Health Director, an award is made as a basis for action on the projected construction/rehabilitation/improvement activity. In general, some financial participation is required by the applicant, but in many instances the total (or near total) of necessary funding may be by Federal grant.

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### MENTAL HEALTH-- COMMUNITY MENTAL HEALTH CENTERS

CATALOG 13.240

A program to finance building of public and other non-profit community centers for mental health programs and to improve organization and allocation of mental health services. Funds may be used for the construction of new facilities or for acquisition, remodeling, alteration or expansion of existing facilities which fulfill requirements of the law as a community facility. Health center staffing grants provide funds on a matching basis for salaries of professional and technical personnel providing new services within a community mental health center; initiation and development grants cover costs of assessing local needs, designing service programs, obtaining local financial and professional support, and fostering community involvement in developing mental health services programs.

### Authorization

42 CFR 54.201-215 (Hill-Burton Act): Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1962; Part A., Title II, Public 88-164 as amended by P.L. 89-105, 90-31; 90-574; 92-211; 91-513; and 91-515; 42 USC 1681-2687.

## How it Works

Individual community projects included in the state plan for community medical centers may be proposed and approved for assistance by the appropriate state agency, with application submitted to HEW's regional office. The federal share will be, in most instances, between 1/3 and 2/3's of the total cost, the local community and/or the state matching the grant.

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### HEALTH FACILITIES CONSTRUCTION-- LOANS AND LOAN GUARANTEES (HILL- BURTON)

CATALOG 13.253

This program assists states in planning for and provisioning of hospitals, public health centers, state health laboratories, outpatient facilities, rehabilitation facilities, etc. The direct loans and guaranteed mortgage loans may be used for the new construction or replacement of existing facilities; the expansion or remodeling of existing facilities or buildings; and equipment necessary for a construction project or for the provision of a new service in a community.

## How it Works

State and local governments, hospital districts or authorities are eligible for direct loans. Private non-profit organizations are eligible for mortgage loan guarantees. (Coordination with "Model Cities" planning has been required.) An environmental impact statement is also required. Application must be in accord with a pre-existing approved state Hill-Burton agency plan. Project application is made to the state agency which is to approve action. The agency then forwards it to the HEW regional office.

In general, banks granting guaranteed loans are paid a subsidy sufficient to lower the net effective interest rate by 3%. Direct loan borrowers pay the effective interest rates less 3%, to the holders of their obligations.

## Authorization

42 CFR, Part 53, "Hill-Burton Aid for Building and Modernizing Community Health Facilities", Public Health Service Act, Title VI, Public Law 91-296; 42 USC 291.

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HEALTH FACILITIES      A program to elevate the quality of design,  
CONSTRUCTION--      construction and operation of facilities for  
TECHNICAL      the health program, through provision of needed  
ASSISTANCE (HILL-      consultative and technical assistance services,  
BURTON)      including the development of basic guidelines.

CATALOG 13.223

Authorization      Public Health Service Act, Title VI; Public  
Law 88-443, as amended by P.L. 91-296; 42 USC  
291.

How it Works      Advisory services and counseling and the dis-  
semination of technical information for plan-  
ning, designing and construction of health  
facilities (and/or their renovation or improve-  
ment). Examples of specialized aspects or  
problems covered by technical services are:  
functional programming of the various service  
departments of a hospital or health center,  
such as the surgical suite; consultation on  
nursing training and organization, fire safety  
standards; dietary practice and equipment;  
environmental problems.

Eligible applicants include all Hill-Burton  
state agencies; project sponsors and other rep-  
resentatives of the health delivery community.

Contacts      Applicant contacts the state Hill-Burton agen-  
cies, the HEW regional office, or the headquar-  
ters office, Health Care Facilities Service,  
Health Services and Mental Health Administra-  
tion, 5600 Fishers Lane, Rockville, MD. 20852.

Published      "Publications of the Health Care Facilities  
Guidelines      Service", HEW #72-4019; "Consultative Assis-  
tance in Specialized Clinical Areas of Health  
Facilities", HEW #72-4017. No charge.



PROGRAMS OF THE U.S. OFFICE OF EDUCATION

Two related projects involving assistance for public libraries are reviewed below. They may be of special interest to localities building new civilian communities at former military sites.

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CONSTRUCTION OF  
PUBLIC LIBRARIES  
(LSCA-TITLE II)

CATALOG 13.408

A program which aids the states in the construction of public libraries to serve areas without library service facilities. Grant funds are available not only for construction of new buildings, but for additions to existing building; and for renovation, alteration, or acquisition of existing buildings for use as public libraries and for the acquisition of initial equipment for such buildings. Architects' fees and the cost of acquiring land are included.

Authorization

Library Services and Construction Act, as amended--Sections 101 to 303; Public Law 91-600; 20 USC 351-355E-2.

What the Law  
Authorizes And  
How It Works

The law authorizes HEW to aid the states in the construction of public libraries to serve areas without library service facilities (hence, the limitations are obvious). Eligible applicants are state library extension agencies which have authority to administer federal funds; to supervise library services within a state; and, together with participating libraries, have financial resources sufficient to match federal funds on a percentage basis according to per capita wealth. States must submit for approval of the U.S. Commissioner of Education a basic state plan, as defined in Section 3(11) of the Act; and other relevant information. Awards are made by OE regional commissioners. In general, the federal share in financing an approved project involves from 53% to 66% of the total.



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(Matching requirements are proportionate to  
per capita income in the state.)

LIBRARY SERVICES--  
GRANTS FOR PUBLIC  
LIBRARIES

CATALOG 13.464

A program to assist in (1) extending public library services to areas without service or with inadequate public library service; (2) establishing and expanding state institutional library services and services to the physically handicapped; (3) establishing and expanding library services to the disadvantaged in rural and urban areas; and (4) strengthening the metropolitan public libraries which serve as national or regional resource centers.

Authorization

Library Services and Construction Act, as amended, Sections 101 to 303; Public Law 91-600; 20 USC 351-355E-2. Also, Title 45 CFR, Chapter 1, Part 130, Section 130.1 to 130.55 of the proposed regulations.

How it Works

Formula grants are provided to cover acquisition costs of books and other library materials, library equipment, salaries and other operating expenses; for administration of state plans; and for strengthening the capacity of state library administrative agencies for meeting the needs of the people of the state.

State library extension agencies with authority to administer federal grant funds and to supervise public library services within a state are eligible as primary applicants for grants. The applicants, together with participating library services, should have financial resources sufficient to match federal funds on a percentage basis, according to per capita wealth.

States must submit to the U.S. Commissioner of Education a basic state plan which outlines activities and objectives, and which indicates state capability for administering the program--as well as policies, criteria and priorities for

program implementation. HEW's regional commissioner makes the grant award. Federal shares of total cost range from 33% to 66%, based on the described formula.

Contact

For the two related library programs, (a) the appropriate local or regional OE/HEW office; and (b) Division of Library Programs, Bureau of Libraries and Educational Technology, Office of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202.

Two projects authorizing federal financial support to local school systems in "Federally-Affected Areas" are reviewed below:

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SCHOOL  
CONSTRUCTION  
(IMPACT AID/  
DISASTER AID)

CATALOG 13.477

Authorization

Federally Impacted Areas-Public Law 81-815, as amended; 20 USC 631-647

How it Works

This program provides federal assistance for construction of urgently-needed minimum school facilities in school districts which have had substantial increases in school membership as a result of new or increased federal activities, or where reconstruction of facilities is necessary because of major disaster.

NOTE: This is likely to be of minimum utility to federally-impacted areas; but some aspects may be of relevance, especially in context of the legislation's inclusion of equipping of facilities. Applications are submitted to the Commissioner of Education through the state educational agency as specified in notices in the Federal Register.

While some carryover features exist under the law, these contributions usually decline in direct proportion to the phase-down of military activity

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SURPLUS PROPERTY UTILIZATION (FEDERAL PROPERTY) DONATION PROGRAM)	This program is established to donate all available federal surplus personal property and convey all available surplus federal real properties which are needed to carry out and are usable by eligible organizations and institutions for health and educational programs.
CATALOG 13.606	
Authorization	Federal Property and Administrative Services Act of 1949, as amended; Section 203(J) and (K); Public Law 81-152; 40 USC 484. Also, Title 45, Subtitle A, Part 12--Disposal and Utilization of Surplus Real Property for Educational Purposes and Public Health Purposes; Part-13 Allocation and Utilization of Surplus Personal Property for Educational, Public Health and Civil Defense Purposes; Part 14--Minimum Standards of Operation for State Agencies for Surplus Property.
How it Works	Surplus personal properties are donated to eligible institutions for use in education and health programs. Real property is provided for use in eligible health or educational purposes, including research. (Real property may be land with or without buildings; or buildings only.) Conveyances are by deed with price based on fair market value, but with discounts up to 100% against the sale price. An essential element in such consideration is that properties so conveyed are to be used for educational purposes for a minimum period of 30 years, after which the transferee has clear and unclouded title to the property for the established usage.
	Eligible applicants include:
	(For real property): states and their political sub-divisions; tax-supported or non-profit tax-exempt educational and medical facilities, hospitals or similar institutions.

(For personal property): accredited tax-supported or private non-profit tax-exempt medical institutions, hospitals, clinics, health centers, schools, school systems, colleges and universities; schools for mentally retarded and physically handicapped; licensed educational radio and TV stations; and public libraries.

Institutions wishing to apply for surplus real property must contact the nearest HEW regional office. Those wishing to bid for surplus personal property are to contact the state agency or state surplus property office nearest them. Generally, awards are made on the basis of first come, first served, but there are marked exceptions to this (reportedly) in context of communities impacted by military closures. Emergency equipment or specialized pieces of equipment are donated solely on the basis of need and usability. Real property is awarded to the applicant or applicants whose programs of use are determined to be in the highest public interest.

After-deed restrictions for a period of 30 years; surplus real property so transferred carries clear title for perpetuity.

#### Contacts

Regional or local office: each regional office has a representative of the Office of Surplus Property Utilization.

Headquarters office: Director, Office of Surplus Property Utilization, Office of the Secretary, Department of HEW, Washington, D.C. 20216.

DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT (HUD)

HUD administers a number of programs whose mission is assistance to communities. Some are particularly relevant to solution of problems which may arise from closure of a defense installation. The department is also charged with responsibilities related to the disposition and reuse of other surplus federal properties.

We present first the regular HUD programs which are pertinent to reuse planning.

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LAND DEVELOPMENT  
AND NEW COMMUNITIES (MORTGAGE  
INSURANCE)

CATALOG: 14.125

This program is designed to help communities finance acquisition of land and its development. It can cover residential subdivisions or complete new communities. It can also provide other assistance in developing large subdivisions or new communities on a sound economic base.

Authorization

Title X, National Housing Act (PL-73-479), as supplemented by the Housing and Urban Development Act of 1965 (PL 89-117), as amended.

How it Works

HUD insures mortgages to finance the purchase of raw land for the development of improved building sites, or to finance the development of new communities, up to a total of \$25 million for one project. This is not a grant program. Repayment period--except for entirely new communities and/or water or sewer systems--may not exceed 10 years.



Eligible activities of insured developers may include purchase of land; development of building sites for new community subdivisions; installation of water, sewer, light, street, and other essential infrastructural systems. HUD departmental guidelines specify that the development must involve sound land-use patterns, and must conform to comprehensive planning patterns for the area in which the land is situated. For new communities, HUD approval is contingent on determination that they will make a substantial contribution to the sound growth of the area, in context of the goals of local government.

Any private developer may apply. Public bodies are not eligible. The developer confers with local HUD officials, then submits an official application. Approval (by the local HUD insuring office, customarily) is based on relative priority, need and conformance to regulations.

Contact

The appropriate area insuring office--in the regional or local HUD office; or the Director, Office of Unsubsidized Insured Housing Program, Housing Production and Mortgage Credit/FHA, Department of Housing and Urban Development, Washington 20410.

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COMMUNITY  
PLANNING AND  
DEVELOPMENT  
(COMPREHENSIVE  
PLANNING  
ASSISTANCE)

The objective of this program is to strengthen planning and decision-making capabilities of chief executives of state, areawide, and local agencies--and thereby promote more effective use of the nation's physical, economic and human resources.

CATALOG: 14.203

Authorization

Section 701, Housing Act of 1954 (P.L. 83-560), as amended.

HUD provides grants of up to 2/3 (or even 3/4, in some instances) of the cost of a planning project, for areas having common or related development problems. State and local funds cover the balance.

A broad range of planning and management activities may be supported, including preparation of development plans, policies and strategies; implementing measures; and coordination of related plans and activities being carried out by various entities. The particular array of subjects addressed in each situation is determined locally and may include assessments and recommendations concerning but not limited to: land development patterns; housing; provision of community facilities; development of human resources; development and protection of natural resources and the environment.

A variety of government levels may draw upon this service, including state agencies designated by the governor; non-metropolitan districts or local planning agencies; metropolitan councils of government; counties, cities over 50,000 population; or development districts. State, metropolitan and large-city planning and management agencies may apply directly to the HUD regional or area office. Other bodies or entities should apply through the state-designated agency. (Note especially that localities which have suffered a major disaster or those which are federally-impacted are eligible for assistance under this program.)

Applications must outline the basis for the request and the approach contemplated, and are reviewed under procedures in Part 1 of OMB Circular A-95, as revised. In some cases, an environmental assessment must be prepared, where the work involves major developments. Applicants negotiate with HUD regarding the grant amount and the activities to be assisted. Area offices approve the project and monitor grantee performance.

Contact

The HUD field office, regional or local; or the Director, Office of Planning and Management Assistance, Community Planning and Development, Department of Housing and Urban Development, Washington 20410.

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NEW COMMUNITIES--  
TITLE VII LOAN  
GUARANTEES

This is a program to encourage the orderly development of well-planned, diversified and economically-sound new communities--including major additions to existing communities.

CATALOG 14.207

Authorization

Urban Growth and New Community Act of 1973 (P.L. 91-609, Title VII).

How it Works

While the law authorizes a variety of assistance to new community developers--such as loan guarantees, direct loans, public service grants, supplementary grants, technical assistance and special planning assistance--only the loan guarantee portion is currently available for use.

This guarantee may be provided to private developers as well as to state and community public bodies and agencies, to stimulate and facilitate the orderly development of sound new communities, including a full range of land uses (residential, commercial, industrial, public facilities) and substantial provision for housing for low and moderate income persons. The development period is normally about 20 years.

Bonds, debentures, notes or other obligations issued by both public and private developers to finance land acquisition and land development costs may be guaranteed by HUD, up to a limit for any one community of \$50 million. (Private developers may receive guarantees for amounts up to 80% of HUD's estimate of property value before land development, plus 90% of actual development cost.) A public land development agency may receive equivalent guarantees up to 100% of costs, if the agency waives federal tax-exempt status.

Developers requesting assistance must provide preliminary plans, in some detail, for preliminary review with representatives of HUD. After the successful conclusion of such discussions, they must prepare formal proposals, citing full plans, results anticipated, and economic, social and financial details. Formal submission is to the Administrator, New Communities Administration, Department of Housing and Urban Development, Washington, D.C.

The functions of the Secretary of HUD with respect to the loan guarantee are administered through the Community Development Corporation.

#### Contacts

Office of New Communities Development, Department of Housing and Urban Development, Washington, D.C.

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#### SURPLUS LAND FOR COMMUNITY DEVELOPMENT

Program authorizes sale or lease of federal surplus real property for use in the provision of housing for low and moderate-income persons.

CATALOG: 14.211

#### Authorization

Section 414 of the HUD Act of 1969, as amended.

#### How it Works

The Administrator of GSA may, at the request of the Secretary of HUD, transfer surplus real property to the Secretary for sale or lease by him at its fair value for use in the provision of housing for low and moderate income persons and for related public, commercial and industrial facilities. Disposal of the property may be made to a public body or private developer only for development assisted by specified federal housing assistance programs or, in the case of low-rent housing projects under the Housing Act of 1937, by an equivalent state or local program. In the administration of this program, emphasis is



given to use of the surplus land in connection with a new community or similar types of large-scale development.

Applicant may be a public body or a private developer. Applicant contacts HUD (see below) for assistance with respect to specific interests in property and, subsequently, submits plan for re-use of property. Fair value for use is determined by appraisal.

Contact

Office of New Communities Development, Department of Housing and Urban Development, Washington, D.C. 20410.

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CLEARINGHOUSE  
SERVICE--  
TECHNICAL  
ASSISTANCE AND  
INFORMATION  
SERVICE  
(GOVERNMENTAL  
MANAGEMENT)

A. Technical Assistance:

This program is designed to strengthen state, regional and local governments by providing technical assistance and information on organization structure, use of resources, program management and evaluation and project administration and coordination.

CATALOG 14.216

Authorization

Department of Housing and Urban Development Act 1965, Section 3(B); P.L. 89-174, 79 Stat. 667; 42 USC 3531.

How it Works

The program includes provision of advisory services and counseling; dissemination of technical information; and the provision of specialized services. Program planning and financing advice is made available; and HUD conducts demonstration projects and disseminates the results thereof.

Technical assistance and information are available upon request. Emphasis is on



projects that are related to other HUD programs. Any state, regional or local government entity is eligible to receive information and technical/specialized services assistance upon request.

Contact

HUD area, regional or headquarters office.  
(At headquarters, contact the Director, Governmental Assistance, Community Planning and Development, HUD/Washington, D.C.)

B. Housing Information Services:

HUD's "Housing Information Service" provides consultation services to individuals who have housing problems. At HUD offices throughout the country, people of all income levels can be advised on ways of solving their housing problems--including advice on ways to finance housing; how to use various HUD programs; and in helping to make appointments to look at suitable homes or apartments, including referral to qualified real estate brokers who sell or rent homes owned by HUD or the Veteran's Administration.

Also of possible relevance are two related activities:

1) HUD's Homeownership Information, Advice and Assistance Program (HIAAP) for purchasers of HUD-acquired properties under Sections 221(D)(2) and 235. Under this activity, the housing counselor/housing management representative conducts a homeownership information, advice and assistance session for homebuyers, during which the following items are covered: purchase procedures and closing costs; property care and maintenance; financing homeownership; home management; budget and debt management; recertification; alternatives to foreclosure;

and resale. This information is available, without charge, in pamphlets and printed materials within each HUD office from the housing counselor/housing management representative.

2) HUD's non-funded homeownership counseling program conducted by HUD-approved counseling agencies. Under this program, nearly 400 organization throughout the country have been approved and recruited by the housing counselor/housing management representatives, to provide homeownership counseling to homebuyers and homeowners without charge on all matters affecting homeownership.

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RESEARCH AND  
TECHNOLOGY

CATALOG 14.506

This is a program to provide for research relating to matters affecting housing and community growth and development. Activities include studies, testing and pilot or demonstration projects. The objective of the program is to provide both information and mechanisms for improving federal programs; and improved ways to deal with current and future community development and housing problems on the part of state and local governments and non-profit institutions.

Authorization

Title V, Housing and Urban Development Act of 1970 (P.L. 91-609), Sections 501, 502, 504 and 506.

How it Works

The law authorizes project grants and contracts for approved research and development projects consistent with the policy and requirements of the department. Implicitly authorized, also, is the effective dissemination of the results of the research through established HUD information/communications/demonstration and operational programs.

Funds are provided under appropriations for this program for innovative research in use of new technologies relating to national housing needs; evaluation of existing housing and community development programs; improving the environment; improving the management and planning of state and local governments; and studies testing and demonstrating new and improved techniques in the fields of housing construction, rehabilitation and maintenance (and how to apply the new technology effectively); how to reduce costs and improve effectiveness in the development of communities and public facilities. The program aims to involve all segments of the housing industry, industries engaged in urban development activities, communities and their organized leadership; and the general public.

Public and private scientific and technical entities, the academic community, private research institutes and similar entities, and state and local government agencies are invited to involve themselves in individual activities under this program, usually on a competitive-bid basis. In some instances, contracts or research/testing grants may be awarded to fund unsolicited proposals of seeming particular merit and timeliness. Contracts may be either cost reimbursable or fixed price in nature. Grants/contracts stemming from unsolicited proposals must be cost-shared by the initiator.

#### Contact

All inquiries should be directed to the Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Preliminary contacts and conversations may be carried out with officials in the appropriate HUD office, for advice and counsel on proper approaches.

Applications in response to HUD requests for proposal (and unsolicited proposals) should be submitted to the Division of Contracts and Agreements, in the Washington HUD headquarters.

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HUD PROGRAM  
ACTIVITY  
RELEVANT TO  
IMPACTED  
COMMUNITIES  
BASED ON GSA-  
ADMINISTERED  
PROGRAMS FOR  
DISPOSAL OF  
SURPLUS  
FEDERAL REAL  
PROPERTY

NOTE: See the section outlining activities of the General Service Administration for full detail, including procedures for disposing of federal surplus real and personal property and relevant legislation/authorization. Outlined herein is only that segment relevant to the Department of Housing and Urban Development.

\* \* \* \* \*

CATALOG 39.002

Activity and  
Type of  
Assistance  
by HUD

1. In localities where federally-owned installations have been excessed and real property is declared surplus, such property may be transferred to the Secretary of Housing and Urban Development, at his request, for sale or lease by him at its fair value for use in the provision of housing for families or individuals of low or moderate income; and for related public facilities and for related commercial and industrial facilities.

Property so conveyed to other than a public body, for low or moderate income housing and related facilities, must be used for this purpose for a period of not less than 40 years.

2. In cases where the department does not itself take title for lease or sale of real properties available through the federal surplus disposal process, the department may

play a useful role in facilitating the acquisition of such properties--primarily surplus housing such as those at former military facilities--by local community planning or development-action entities. The interest of such entities in obtaining surplus property for housing and related facilities should be expressed to the Director, Office of New Communities Development, Department of Housing and Urban Development, Washington, D.C.

3. Also, the HUD Office of New Communities Development is prepared to play a useful role in any impacted-community situation through the provision, upon request, of expert advice and guidance on the many aspects and approaches of proved and effective ways of rebuilding or developing entirely new communities based on federal surplus real property.



DEPARTMENT OF THE INTERIOR (DOI)

BUREAU OF  
OUTDOOR  
RECREATION  
(B.O.R.)

The first DOI programs described below deal with pertinent activities of the Bureau of Outdoor Recreation (BOR), which administers three broad forms of assistance:

1. Land and Water Conservation Fund grants for acquisition and development of public park and outdoor recreation facilities--Catalog 15.400
2. State Planning and Financial Assistance--Catalog 15.401
3. Technical Assistance--Catalog 15.402

Authorization

The three programs operate under the following legislation:

1. Land and Water Conservation Fund Act of 1965 (16 USC 1-4 et seq.); PL 88-578; 78 Stat. 897, as amended by PL 90-401, PL 91-485, PL 91-308, and PL 92-34.
2. Land and Water Conservation Fund Act of 1965, PL 88-578, as amended (16 USC 460, 1-4).
3. Bureau of Outdoor Recreation Organic Act, PL 88-29, 77 Stat. 49, 16 USC 1-3, Act of June 23, 1936 (49 Stat. 1894).

What the Law  
Authorizes

The objectives of all three programs are to provide federal assistance to state and local entities for the acquisition and maximum development of outdoor recreation areas

and facilities--to service current and future needs of the general public with maximum outdoor recreational opportunities in an improved environment.

The first program cited provides financial assistance to state and local governments to acquire outdoor recreation areas and facilities, customarily on a 50-50 share cost basis. The second authorizes financial assistance to state and local governments in preparing and maintaining statewide outdoor recreation plans to meet the people's needs. The last program cited authorizes provision of technical aid and expertise to state and local governments--and to private interests--for development and operation of effective programs to meet the public's need for outdoor recreation.

Only the state agency designated by the governor and state legislature to administer the state's land and water conservation fund program is eligible to apply for acquisition development grants and planning assistance. However, this state entity can process requests initiated by other state agencies and local entities. In the last program cited, anyone may apply for advisory services and counselling and request information relating to outdoor recreation planning and activities.

#### How it Works

1. Acquisition and development grants may be used for a wide range of outdoor recreation projects such as picnic areas, inner city parks, campgrounds, tennis courts, boat launching ramps, bike trails, outdoor swimming pools, and support facilities such as roads and water supply. Facilities must be open to the general public, not limited to special groups. Priority consideration is given to projects serving urban populations. Funds are not available for the operation and maintenance of facilities.

2. Grants are made to states for revising and updating state outdoor recreation plans; for the preparation of new plans; and for surveys, technical studies, data collection and analysis, and for other purposes clearly related to refinement and improvement of the state outdoor recreation program.
3. DOI's Bureau of Outdoor Recreation (BOR) provides policy advice and consultation to other federal agencies assisting the states and their political subdivisions, and to private entities, in providing public outdoor recreation opportunities. The Bureau works directly with professional recreation employees of states and their local entities, including private ventures, in supplying technical information useful in planning, developing, financing and managing outdoor recreation programs and related research and educational activities.

Activities and services include periodic and special publications, participation in seminars, conferences and consultations, cooperative programs, and liaison between public and private agencies; between government and educational institutions; and with public and professional media.

#### Application and Award Process

Grant applications (project proposals) are submitted to the Department of Interior, Bureau of Outdoor Recreation, through the state liaison office designated by the Governor, who screens proposals for conformance to established needs and priorities in the context of the state's master plan for outdoor recreation and land/water conservation goals. Proposals are reviewed by BOR's regional office, where final action may be taken and notification of grant award made to the designated state central information

reception agency and the Office of Management and Budget on Standard Form 240.

Planning Assistance: All projects must be coordinated with state and regional or metropolitan clearinghouses prior to submission to the Bureau of Outdoor Recreation, using standard application forms required by OMB Circular A-102. Project proposals are then submitted to BOR through the state liaison officer. Proposals are reviewed and final action taken by the regional office. Awards are made to the authorized state official; notification of grant is made to the designated state central information reception agency and to the OMB on SF-240, as above.

Technical Assistance: When a surplus base includes land the community decides to use for public park or recreation purposes, DOI's Bureau of Outdoor Recreation may provide technical assistance under the BOR program cited above. The state or local agency filing such an application with GSA under its program for "Disposal of Federal Surplus Real Property" can obtain technical information and help by informal request, which may be channeled through a local base conversion committee.

Surplus government land planned for park or recreation use is customarily transferred to the community without cost. Title is granted in perpetuity, and use of the land must so remain.

Regulations  
Guidelines  
and Literature

On Acquisition and Development Grants:

Outdoor Recreation Grants-in-Aid Manual,  
available on subscription basis from  
the Superintendent of Documents,  
Government Printing Office (GPO),  
\$8.50.

The Land and Water Conservation Fund Act  
of 1965, as amended. No charge.

Federal Assistance in Outdoor Recreation,  
GPO, 50¢.

Private Assistance in Outdoor Recreation,  
GPO, 45¢.

Planning Assistance Program:

"Coordination of Federal Outdoor Recreation  
Assistance Programs," 30¢.

"Outdoor Recreation Grants-in-Aid Manual,"  
\$8.50; from GPO.

Technical Assistance Program:

"Outdoor Recreation Action," a quarterly,  
free to government officials and  
agencies, \$3.50 to private subscribers.

"Catalog of Outdoor Recreation Research,"  
(1969 edition), \$1.25.

"Index of Selected Outdoor Recreation  
Literature," 75¢.

"Federal Assistance in Outdoor Recreation,"  
50¢.

"Private Assistance in Outdoor Recreation,"  
45¢.

"Education and Outdoor Recreation," 75¢;  
(all available from GPO).

"Miniature Environments," free from the  
Bureau of Outdoor Recreation.

Contacts

Regional or local office of DOI, or Bureau  
of Outdoor Recreation, Department of the  
Interior, Washington, D.C. 20240; Telephone  
(202) 343-5723.



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BUREAU OF  
RECLAMATION  
SMALL PROJECT  
LOANS PROGRAM  
  
CATALOG 15.503

One geographically limited program of the Bureau of Reclamation/DOI may have applicability to some base reuse purposes: the small project loans authorized under the Small Reclamation Projects Act, PL 84-984, 43 USC 422 A-K.

How it Works

The program provides authority for loans and possible grants to public non-federal organizations for rehabilitation or construction of water resource development projects located in the 17 westernmost contiguous states and Hawaii (only). Projects involve loans or grants (up to \$10 million for projects whose total cost cannot exceed \$15 million) and which can be single-purpose irrigation or drainage, or multipurpose, including municipal and industrial water supply, flood control, fish and wildlife, recreation development, and/or power.

Eligibility  
and Award Process

A public non-federal entity organized under state law and eligible to contract with the Federal Government must be prepared to demonstrate engineering and financial feasibility of project proposal and ability to repay the loan within 50 years.

Applicant files notice of intent to apply for loan with the Reclamation Bureau regional office, under procedures cited in Part 1 of Office of Management and Budget Circular A-95 (copies routed to Bureau of Sport Fisheries and Wildlife, U.S. Army Corps of Engineers, and the Environmental Protection Agency Water Quality Office). There are no pre-set forms to be filed, but the program requires submission of an environmental impact statement, accompanying detailed engineering and economic-application plans, specifications and reports outlining the project and its objectives. (Assistance in this regard can be obtained from the Bureau of Reclamation regional office, to back up the proposer's own technical capability).

Funds for the project, if and when approved, are obtained through regular congressional appropriation procedures for each project.

There are detailed specifications as to the types of reports, audits, and follow-up required.

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U.S. GEOLOGICAL  
SURVEY (USGS)  
WATER RESOURCES  
INVESTIGATION

CATALOG 15.804

The Geological Survey administers a federal/state cooperative program whose mission is development and optimum use of water resources. Local units of government--counties, towns, cities--are also eligible.

Authorization

Water Resources Act of 1879, 43 USC 31, 48, 49 and 50.

How it Works

Under this program, states and communities can obtain specialized services and consultancy on projects which can include continuing research on hydrology. The Geological Survey also disseminates technical information on water resources and their most effective use. There are no restrictions on which states or localities can use this service. Any entity may apply, through the regional or local USGS office or the Chief Hydrologist, Geological Survey, Department of the Interior, Washington, D.C. 20244.

USGS is prepared not only to provide general and specific information based on research and practice, but will also engage in cooperative survey projects for specific situations, to provide the physical base for most effective water resource use planning. A letter of request to the director of the service or to the nearest regional or local office, describing the problem, will lead to personal discussions and joint planning of a study which should both meet the immediate local need and also contribute to the

growing national knowledge fund. A simple memorandum of agreement as to scope and procedure is customarily drawn up and signed, specifying the inputs of funding and personal services by the local entity and the Federal Government (normally, a 50-50 basis).

NOTE: In some instances in impacted-community situations, related USGS services in geologic and mineral resource surveys, mapping and topographic surveys can be requested by the community.

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NATIONAL PARK  
SERVICE (NPS)  
PARK AND  
RECREATION  
TECHNICAL  
ASSISTANCE

CATALOG 15.906

Authorization

How it Works

The objective of this program is to fulfill national park and recreation needs by assisting state and local agencies in the planning, development and management of these areas and facilities. Its operation and procedures are similar to the technical assistance program of the Bureau of Outdoor Recreation, but they are separate programs.

Park, Parkway and Recreation Area Study Act of 1936, PL 74-770, 16 USC 17.

Under this legislation, the National Park Service staff provides advisory services and counseling, training and technical information to state and local agencies involved in planning, developing and managing park and recreation areas. Only authorized units of state and local governments can apply, including state, county, city or community developmental agencies and developmental planning entities such as conversion committees planning civilian use of defense installations.

Eligible state or local entities can contact either the local or regional office of NPS, outlining their problems and objectives. After appropriate discussion, the local agency may submit an application to the

Chief, Division of State and Private Liaison,  
National Park Service, Department of the  
Interior, Washington, D.C. 20240.

Upon approval of the application, the service provides technical and advisory services and training on matters such as agency organization; operation and maintenance of park systems; personnel training; historical and archeological programs; and general development planning. (Some reimbursement may be required if the Park Service performs the requisite project planning.)

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PARK PRACTICE  
PROGRAM

CATALOG 15.907

Closely related to the foregoing program of the NPS, this service of DOI is dissemination of information on proven designs for park structures and facilities and improved methods of administration and operation of such areas.

Authorization

Park, Parkway and Recreation Area Act of June 23, 1936; Public Law 74-770; 16 USC 17.

How it Works

Park practice publications are used as guides by park and recreation officials in planning, designing, operating and administering parks and other outdoor recreation facilities. Program materials are also used as a teaching and reference source in schools and colleges. The park practice program is a cooperative activity of the National Park Service and the National Recreation and Park Association.

Anyone is eligible to apply for materials, and spot publications are usually provided without cost.

However, a local entity interested in the full program on a continuing basis, should apply through the National Recreation and Park Association, membership in which involves an initial fee of \$80.00 and an

annual membership fee of \$20.00. Applications should be directed to the National Recreation and Park Association, 1601 North Kent, Arlington, Virginia 22209.

\* \* \* \* \*

A final note on DOI programs of possible future interest to communities impacted by military cutbacks:

There are several Interior Department programs under which services are severely restricted (e.g., "The 17 Contiguous Western States"; or "States Other Than the Original 13 States, Hawaii, Kentucky, Tennessee, Texas and West Virginia").

Restrictions of this type, which are not detailed here, preclude application by conversion committees in the easternmost states but could offer assistance in public purpose reuses of bases in the western states. The limited programs include:

	<u>Catalog</u>
. Land Lease for Airports	15.200
. Leases, Permits and Easements for Public Works	15.201
. Public Land for Recreation, Public Purposes and Historical Monuments	15.202
. Public Land for Rights-of-Way	15.203
. Sale of Isolated Public Lands	15.211

Full information on these programs can be obtained from local and regional offices of the Bureau of Land Management of the Department of the Interior.



DEPARTMENT OF LABOR (DOL)  
Manpower Administration

EMPLOYMENT  
SERVICE  
PROGRAM

CATALOG 17.207

Authorization

The Wagner-Peyser Act of 1933, P.L. 73-30 as amended; 20 USC 49-49N. The Social Security Act of 1935, P.L. 74-271, as amended; Title IX--miscellaneous provisions relating to employment security; and others. (Contact state employment security agency for details.)

How it Works

The objective of all Manpower Administration programs is to place persons in employment by providing services to individuals in need of preparation and placement and to employers seeking qualified individuals to fill job openings. Types of assistance include project grants, advisory services and counseling, and provision of specialized services. (Specialized services, for example, are directed to veterans, the disadvantaged, youth, older workers, the handicapped, inmates of correctional institutions).

Services to employers involve contacts with employers and employer groups; helping identify particular training needs and assisting in developing training programs and industrial services (which include assistance or information for use in job re-structuring); and dealing with turnover or absenteeism and in the development of sound personnel management tools or techniques, including effective upgrading systems.

Application  
to Base-  
Closure  
Impacts

Job market information is collected and disseminated by the Labor Department in Washington and by the state employment agencies. Information relates to job opportunities, labor supply, labor market trends, the job market situation in particular industries and occupations. (One prerequisite for direct impact assistance by the Manpower Administration would be certification by DOL that closure or realignment creates an unemployment problem.)

A significant service for impacted communities is the program for early warning of mass layoff. The employment service definition of a "mass layoff" is one involving 100 or more employees in areas of under 20,000 population; or 500 or more employees in areas of 20,000 or more population. Local offices of the employment service, acting on evidence or information of pending mass layoffs involving substantial numbers of workers in an area, try to determine the number and skills of those to be laid off. Assessments are made of re-employment prospects, interviews are arranged with those who will be furloughed; and plans are developed for placement and training services.

The service participates with local officials and civic leaders in community action aimed at interesting new industries in relocation in the area.

An additional service, under Defense Manpower Policy No. 4, provides that employers in areas of concentrated persistent and substantial unemployment may be certified for special consideration in the award of contracts to supply goods to the Federal Government.

Contact

The nearest office of the state employment service or headquarters for this program: Director, Program and Management Services Staff, United States Employment Service, Manpower Administration. U.S. Department of Labor, Washington, D.C. 20210.

Several of SBA's ongoing programs of assistance to small business are potentially valuable to community forces concerned with adverse impacts on small enterprises near a military installation that is to be closed or cut back. But a new section which has been added to the original legislation--Sec. 7(B)7--specifically deals with loans and loan guarantees to small businesses which are threatened with substantial economic injury because of the closure or realignment.

This new provision is presented first.

-----  
SECTION  
7(B)7  
LOANS TO  
DEFENSE  
IMPACTED  
BUSINESS  
(NEW PROGRAM)

Applications for loans must demonstrate that the applicant has suffered, or is suffering or will suffer a substantial injury because of a base closure or other DoD action. The financial criteria applied by SBA field offices, to which applications are addressed, are similar to those for disaster loans.

Proceeds of loans may be used for a whole spectrum of private sector readjustment plans:

- 1) Payment of the cost of retooling, reshaping or reorganizing a business which seeks to remain where it is;
- 2) Payment of costs of moving the entire business to a different site (which may be more than 100 miles from the original location);
- 3) Payment of the cost of purchasing an entirely different on-going business enterprise at a different location;

- 4) Payment of the cost of planning and setting up a new business in a different location or in the same location.

Proceeds of 7(B)7 loans may be used to refinance existing indebtedness (including obligations which the borrower could have paid from normal cash flow had revenue not declined due to the military cutback). Funds can also be applied to working capital needs for readjustment programs, whether in the current location and enterprise or a new venture in a new location.

Moratorium on payments of principal can be granted for initial loan periods up to 3 years; interest must be paid as due.

Other provisions of the loan program specify:

1. Maximum loan amount is \$500,000
2. Maximum maturity is 30 years
3. Interest rate is variable, and is set (well below market levels) by the Secretary of the Treasury semi-annually. At this writing--in the second half of Fiscal Year 1974--the rate is 6.125%.

The administering field office of SBA determines whether the economic injury claimed by the applying business is demonstrable. In cases of extreme impact, SBA headquarters in Washington can approve loans in excess of \$500,000 ceiling.

-----  
LEASE GUARANTEE  
PROGRAM

CATALOG 59.004

Authorization

Title IV of Small Business Investment Act of 1958 (72 Stat. 694, 79 Stat. 482, 484; 15 USC 687, 692, 693, 694).

## How it Works

Small businessmen are often unable to lease good locations due to lack of the credit standing demanded by the property owners. In some cases, SBA will issue an insurance policy (or will reinsure a policy issued by a private insurance firm) guaranteeing the rent for a prime location needed by a small businessman.

Applicants contact a SBA field office, outlining their problem and need. The application specifies whether it applies to an arrangement with a private insurer or directly with SBA. Their application (on Form 800-A) is evaluated locally under a risk analysis system devised specifically for this program.

When approved, the guarantee covers payment of rent or insures rental payment under a lease arrangement with a private insurer. Normally, a decision for approval or disapproval is made in not more than two months; sometimes less than a month.

## Contact

SBA local or regional office; or Director, Lease Guarantee, Small Business Administration, 1441 L Street, NW, Washington, D.C. 20416. Or, SBA office of Public Information, for copy of "Lease Guarantee", OPI-42.

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DISPLACED  
BUSINESS  
LOANS

CATALOG 59.001

## Authorization

Section 7(B)3 of the Small Business Act.

## How it Works

Small business firms which have encountered substantial economic injury through being displaced by or located near to federally-aided urban renewal and other construction



projects are eligible to apply for SBA loans to help them relocate to re-establish their enterprise. A reasonable amount of upgrading of the business in the process of relocation or re-establishment is permitted. Interest rate is determined semi-annually by the Secretary of the Treasury.

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ECONOMIC  
OPPORTUNITY  
LOANS

CATALOG 59.003

Authorization	Title IV, Economic Opportunity Act of 1964, as amended.
How it Works	<p>These loans may be made available to "disadvantaged" business men or women, possessing the capability and desire to own and operate their own businesses, and who meet established credit criteria. (Honorably-discharged Vietnam veterans also qualify for such loans.)</p> <p>An applicant seeking a loan under this authorization applies to the SBA local or regional office, with his application showing that total family income is inadequate; and that due to social or economic disadvantage (which would include military service in Vietnam) he/she has been denied the opportunity to save or to acquire adequate business financing through normal lending channels on reasonable terms. He must also demonstrate ability to operate a business successfully and reasonable assurance that the loan will be repaid from earnings. The maximum amount of an individual loan is \$50,000 for a period up to 15 years.</p>

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STATE AND  
LOCAL  
DEVELOPMENT  
COMPANY  
LOANS

CATALOG 59.013

Authorization

Sections 501 and 502 of the Small Business Investment Act of 1958, as amended.

How it Works

The objective and concept of SBA development company loans is to build a strong national economy, through strengthening the capability of the local community to develop its own economy; through increasing job opportunities, boosting individual income, diversifying the economic enterprise base of the community; and strengthening the community structure through increasing tax revenues.

The approach embodied through "development company" loans is that of stimulating and assisting the development of local development companies; giving them help in obtaining necessary funding for small business loans, and providing technical guidance on sound operations. These companies, in turn, concentrate on the development of sound local small business ventures in the community.

The Small Business Administration makes loans directly to state development corporations, organized by special acts of the state legislatures. These loans in turn, provide the base for long-term loans and equity capital provided by the state development company to small business concerns. (Note: SBA may lend a state development company as much as the total of the company's outstanding borrowing from all other sources combined.) Loans may be up to 20 years in term, with interest rates equal to that charges by its members. Similarly, SBA makes substantial long-term loans to local (community) development companies, established by citizens of

the local communities for the primary purpose of improving and strengthening the local economy. These local development companies assist in planned economic growth of the community, by promoting and assisting the development of local small business enterprises.

Citizens organizing a local development company must put up their own funds to be eligible for this form of SBA loans. A local development company must have a minimum of 25 local stockholders or members; and be incorporated.

The local development company must itself provide a reasonable share of the cost of each project for which SBA loan money is used--generally 20% of the total for each such project.

A maximum of \$350,000 may be borrowed from SBA for each individual small business being assisted, normally for a period not in excess of 25 years.

Local development company loans may be used to help buy land; to construct, convert, expand or modernize plants; and to acquire machinery and equipment. They may not be used, however, for working capital.

When making loans to local development companies, SBA normally participates with banks, insurance companies, pension fund groups, state commissions and other state authorities, and other funding sources.

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SMALL BUSINESS  
LOANS (POOL  
LOANS) SECTION  
7(A) LOANS

CATALOG 59.012

Authorization                      Section 7(A)5 of the Small Business Act.

How it Works                      This program is designed to make available to groups of small business companies, banded together in their common interest, machinery, equipment, raw materials and supplies on prices and terms and in a manner which they could not obtain individually. Similarly, pool loans may make available to groups of small businesses the benefits of research and development which they could not get independently--or might even make feasible the establishment of needed R&D facilities for their common benefit.

SBA makes loans to corporations formed and capitalized jointly by groups of small business firms for this purpose. SBA may then lend, either directly or in participation with a local bank, as much as \$250,000 for each pool member, at a low rate of interest, with a maturity of up to 10 years (except for construction, where maturity may be up to 20 years).

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MANAGEMENT  
ASSISTANCE  
TO SMALL  
BUSINESS  
PROGRAM

CATALOG 59.005

Authorization                      Small Business Act, as amended, Sections 2, 8 and 9; P.L. 85-536, as amended; 15 USC 631, 637 and 698; Economic Opportunity Act of 1964, as amended, Sections 401, 402, 406 and 407; and others.

Objective of the program is to help the prospective as well as the present small businessman improve his skills to manage and to operate a business. Most business failures are due primarily to the lack of good management; and in the average small business enterprise this problem is especially acute. Hence, the SBA places heavy stress on activities to improve the capability of entrepreneurship and management of the small business enterprises.

SBA advises small businessmen of all SBA and other government agency assistance services available to them. The SBA management assistance programs include:

- o Workshops for prospective small business owners;
- o Management courses, conferences and clinics;
- o Management counseling and individual plant-level analysis and advice;
- o Special training courses in achievement, motivation and technology utilization;
- o Publication and distribution of a very large range of printed and audio-visual materials suited for use by officials of small business enterprises on fundamentals of management, engineering, industrial technology, product development and marketing and distribution.

Most of SBA's management assistance is actually conducted by volunteers supervised by SBA personnel. Most of these volunteers are available through agreements with SCORE (Service Corps of Retired Executives); ACE (Active Corps of Executives); and through a Small Business Institute program which engages the services of outstanding senior undergraduate and graduate students in schools of business administration and management--who help businessmen "in trouble"



and receive useful field experience and academic credit for their work.

Contact

Nearest SBA field office, regional or local.  
Headquarters Office: Small Business Administration, 1441 L Street, NW, Washington, D.C. 20416.

DEPARTMENT OF TRANSPORTATION (DOT)

Three programs of the Department of Transportation are of direct or potential value in planning reuse of military installations.

The first presented here is specific to former Air Force bases. The others concern highway planning, research and improvement needs applicable to communities affected by all types of armed forces installations.

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AIRPORT  
DEVELOPMENT  
AID PROGRAM

This program is operated to help public agencies develop a nationwide system of public airports adequate to the needs of civil aviation.

CATALOG 20.102

Authorization

Airport and Airway Development Act of 1970; PL 91-258, 49 USC 1701. Also--Federal Aviation Regulations, 14 CFR, Part 152.

How it Works

Grants can be made to public agencies for land acquisition, site preparation, and construction, alteration and repair of runways, taxiways, aprons and roads within airport boundaries; construction and installation of lighting facilities, navigational aids and certain offsite work; and for safety equipment required for certification of an airport facility. Technical advice and counseling may also be provided.

Eligible applicants include state, county, municipal and other public agencies, if their airport requirements are shown in the National Airport System plan. (Hence, any impacted community wishing to build or convert and improve an existing facility would

first have to ascertain that its airport is reflected in the plan.)

Preapplication conferences with FAA local or regional offices are recommended, and both consultation and technical advice are available from FAA staff. This should be a first step for any group interested in exploring former military airport facilities conversion/improvement.

Requests for specific forms of assistance (financial or technical) are submitted to the FAA district office on Form FAA-5100, after which they are reviewed by the FAA-regional and/or Washington office.

After approval, the applicant then submits a formal project application on Form FAA-5100-10. The FAA regional office draws up the formal grant documentation, and approval is relayed through the designated state central information reception agency and state clearinghouse, and the Federal Office of Management and Budget.

The Federal Government generally provides 50% of the allowable costs of airport development, the state and/or community providing the remainder. For certain items designated in the Act, federal support may be up to 82% of the cost.

Airport agreements normally last for a period of 20 years. The operational entity is responsible for the maintenance of appropriate records and specified reporting to the FAA for this entire period.

#### Contact

Regional, local or district office of the Federal Aviation Administration. The Washington headquarters office is: Development Programs Division, AS-600, Federal Aviation Administration, Airports Service, 800 Independence Avenue, SW, Washington, D.C. 20590.

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AIRPORT  
PLANNING  
GRANTS

CATALOG 20.103

Airport planning grants are also available to assist in the development of airport master plans and system plans. Some supporting technical advisory service is also available from the FAA to approved applicants.

Procedurally, the approach for project development, submission and execution for this program is virtually identical with that outlined above, but different forms are filed.

In some cases, this program may provide useful assistance in the planning of airport conversion provided eligibility is established.

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Joint Use  
Under AFR  
55-20

This Air Force Regulation authorizes use of Air Force runways and ground systems by civil aircraft, in cases where (a) military needs do not fully utilize capacity; and (b) where part-time use of such facilities by non-military aircraft would be demonstrably in the public interest.

Authorization

Air Force Regulation 55-20 (16 May 1966), as amended October 12, 1967; June 15, 1971; and November 15, 1971.

How it Works

When an Air Force installation is cut back, the Department of Defense welcomes sound presentations by local civilian authorities for part-time use of the flightline and available ground facilities for civilian purposes. Normally, authorization would be only for regularly scheduled air services or continuing non-scheduled air services such as air taxis or charter services.

A local group planning civilianization of a former base may develop a specific proposal for joint use.

(If an Air Force base is completely closed down, full civilian operation must be sought, and this provision of Air Force Regulations is not relevant.)

In most instances, access to and use of essential ground facilities and services, as well as joint use of the flightline, can be effected. Such ground facilities, for example, might include but would not be limited to flight and landing control systems; maintenance facilities; and fueling depots.

Joint use requires a formal agreement.

(See Section 3-B(6) of the manual for further discussion of joint aviation use.)

Contact

The Commander of the defense installation in question; and the Department of the Air Force in Washington.

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HIGHWAY  
RESEARCH  
PLANNING AND  
CONSTRUCTION  
  
CATALOG 20.205

A program to assist states and their political sub-divisions in the conduct of sound highway planning and research studies; and in constructing both the interstate highway system and for building or improving primary, secondary and urban systems roads and streets.

Authorization

Federal Aid Highway Act of 1968; P.L. 90-495, Federal Aid Highway Act of 1970; P.L. 91-605, 23 USC, as amended by Federal-Aid Highway Act of 1966: P.L. 89-574.

How it Works

Formula grants authorized by the legislation may be used for planning, engineering, right-of-way acquisition, new construction, improvement, roadside beautification, recreation and rest area development. (All projects in urban areas of more than 50,000 population must be based on a continuing comprehensive planning process.) NOTE: Some county and state



roads which are not on the federal-aid systems are also eligible for assistance, but only through state highway department initiative and action.

Formula and matching-funds requirements: The federal assistance formula is based on factors such as ratio of population area or intercity mail route mileage in a single state to the total for all states, in such proportions as applied by law for the primary, secondary and urban extension highway programs. Interstate formula is based on the cost to complete the remainder of the system.

The normal federal share of financing is 90% for all interstate projects; and 70% for all other projects--in 1974 for the first time. (The federal share is increased in states with large areas of public lands.)

Entities seeking federal financial or technical assistance in improving or extending public roads should contact the state highway department, which is an "eligible applicant" under the program. Local, county and state roads improvements programs are reviewed and selected through the cooperation of state, county and local officials.

The program requires coordination with the policies of the Office of Management and Budget Circular A-95, Part 1 (Revised). All projects require an environmental assessment in accord with Section 102(2)(C) of the National Environmental Policy Act (P.L. 91-100).

Following agreement on activities to be included in a particular local or country project, the state highway department submits the program to the state level office of the Federal Highway Administration. In general, this office makes a final decision to approve,

hold or reject individual projects. Notification of grant award must be made to the designated state central information reception agency and the Office of Management and Budget.

This program provides an important potential tool for community or state planning entities and action organizations working toward civilian uses for surplus military facilities. If a project can be submitted in acceptable form and approval obtained, financial support and valuable technical expertise can be sought for both the planning and building or upgrading of essential local main and feeder roads.

Contact

Regional or local office of the Federal Highway Administration; or Federal Highway Administration, Washington, D.C. 20590.

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PUBLIC LANDS  
HIGHWAYS

CATALOG 20.209

This program is similar in most respects to that covered immediately above, except that it is designed to assist states with large areas of public lands in the improvement of sections of main roads principally on federal-aid highway systems. In some cases, the authority may be of value in dealing with civilian reuse of formerly military facilities. Within the limit just noted, the possible uses of funds are identical to those for the above-cited program; and the application/award process is virtually identical. The legislation is also almost entirely the same.

Guidelines  
and and  
Literature

A) Highway Research, Planning and Construction Program: "America's Lifelines, Federal Aid for Highways, 1966", 20¢; "Freeways to Urban Development", 50¢, both available from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

B) Public Land Highways Program: 23 CFR 15.

Air Force Regulation 55-20  
     on joint use of Air Force  
     Bases, 55-58

Airport development programs of  
     DOT, 165-168

Airport, public, reuse of installation for, 54-55

Appraisals:  
     By Takeover Organizations, 59  
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